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CATV POLICY
IMPACT AND FOLLOW UP (12.A)
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Government
Publications

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Although the CIVIC doesn't require each operator to leave the office to participate in candidates, the commission has found for cable companies to provide community programming. Discussions with the candidates for the local office could certainly qualify more.

Peel with this modern
improvement. Telephones which
have added new features like
television (operated on the
cont.) and, if Mr. Lind will
allow, the special addi-
tional telephone on the
cable systems for free time.

1

Nevertheless, Rogers correctly operates a year-round, five-time program for candidates, political speakers and writers, on radio and television meetings and the like, which, Mr. Lind says, is "completely open-ended."

For conventional broadcasting, this sort of programming has given rise to the pasticcios complaints by politicians that certain parties are being unduly favored on free-time broadcasts, in violation of fair play for the airwaves.

The Metro survey research group of the Federal Free-Side Conservative Party recommended in April that the CRTC force cable operators to air free-time political programming for all parties at election time.

As yet, this has only been done on a voluntary basis, but politicians who have a sedentary life say they are satisfied that the cable companies are willing to give time to all parties who request it.

For instance, in a recent

Program led by Rev.
Murray M. ...
... in the ...
... of ...
...
... in the ...
of St. David.

With the help of a
Library, former head of
Newspapers, and a
Daily in the morning, the
newspaper was published
half-hour program on
television, and the
were successful, and
colored and the

[illegible][illegible]

"I think the long answer we can really guarantee our selves is what you call the sports package or the long-term rate," says Mr. Lind. "If I can't find a date, I'll be using it. That's

...and how much money the cable companies can make for the politician's dollar," says Larry Kent, executive assistant to Thomas Wells, Minister of Social and Family Services.

Despite the grants of time, Mr. Kent says, "videotapes can cost a lot of money." According to Mr. Lind, the cost of the tape alone—not counting labor and studio costs—would be between \$50 and \$70 for an hour's program.

Mr. Wells' big venture into political programming on cable was a half-hour videotape of his nomination meeting—paid for by the party—which, Mr. Kent says, was meant to demonstrate aspects of the political process.

"What we did was, we just videotaped it...and edited it down to half an hour and gave

it to Rogers," he says. "We asked them if they would use it, and they said, 'Sure.'"

John Brewin, New Democratic Party candidate for Scarborough North—the riding currently held by Mr. Wells, says: "It doesn't play a major part in our plans at this point, because I'm not

Mr. Brewin says he has "had the experience of being on a couple of programs, and had nobody comment on seeing me on them except one man who thought he was going to be on at that time."

He admits that's a rather unscientific method of measuring audience reaction to the program, but it is currently the most scientific method he has been able to use. After all, a brief interview on a news program usually brings some sort of comment from someone, he says.

Mr. Brewin has appeared both on Rogers' community channel and on a talk show produced by York Cablevision Ltd. Both times he was discussing the need for commuter rail service for Agincourt, an issue in the news at the time.

A major complaint arising out of his experience was that local programming doesn't seem to be scheduled at any regular time, so whatever potential it has (for voters) happens to exist, people don't know when to tune in.

A second problem—over which the cable operators

Cable has limited channel sections of Metro to different cable companies, without considering whether the available riding boundaries.

However, if cable companies publicized political programs a little more, and made time available to candidates, Mr. Brewin says, "it could be a major media consistency problem."

John Goyeau, NDP assistant provincial secretary, says the NDP is the party most likely to use cable as part of a campaign, since it's not as rich as the two older parties: "We have a lot of talented people and not much money."

For instance, the NDP is circulating lists of cable companies in Ontario to its candidates and their organizers as a means of promoting the party.

At least one NDP candidate—Marvin Blauer, a professor at Brock University—is the host of his own cable television program in St. Catharines, and Jim Fleming, Liberal candidate for Yorkview, has a nightly news program on Rogers.

The initiative to canvass cable companies for free time has to come from the local

riding associations. Mr. Goyeau says, since there are so many cable companies in the province, pretty well everything co-ordinating the campaign from headquarters in Toronto.

"There's no other way you can watch the three candidates in your riding debating without going to a meeting yourself," he says, since most

riding debates don't involve key figures (such as cabinet members) and don't draw conventional television coverage.

"What you can do now that you couldn't do before is that you can target a candidate at his own riding" by using the local channel of the cable system in that neighborhood, Mr. Goyeau says.

Although he has used "four to six weeks" of what he calls "public service commercials" in the Thorncliffe area, Bernard Eastman, NDP candidate for York East, says he's not sure whether spot appearances on cable television will play a continuing role in his campaign.

"It's hard to gauge the effect of it. Of course, you know, people speculate on the impact of all media." An elec-

tion, Mr. Eastman says, will be the ultimate judge of the success of his efforts.

Mr. Brewin is similarly guarded in his hopes for cable, depending how anxious cable operators are to put politicians on the air. But he adds: "Undoubtedly, if it is available, we will use it... It's got tremendous potential."

Mr. Lowry says: "We didn't think we had a large audience, but we think we got a lot of people some damned good experience on television."

Mr. Goyeau says he doesn't think the cable companies are "at the point that they're as well organized as they would like to be," perhaps because of budgeting problems.

But Mr. Lind at Rogers stands undeterred. If cable television doesn't emerge as a new political force in the provincial election, he says, it will show its "real potential" in the next municipal election.

After all, Mr. Lind says, the action groups that are really interested in community programming for cable television—groups like the Downtown Community Television Committee, Intercom and Teen Talk—"are really urban-oriented."

CRTC et la câblo-diffusion

'Allier prévoit de nouvelles tensions entre Québec et les autorités fédérales

QUEBEC (PC) - "Compte tenu des négociations actuellement en cours entre Ottawa et Québec en cette matière, il faudrait certes pas s'étonner que de nouvelles tensions apparaissent dans les relations entre Ottawa et Québec en matière de communications, et particulièrement de câblo-distribution. On continue d'ignorer les réactions québécoises."

Ces sont les premiers commentaires du ministre québécois des communications, M. Jean-Paul L'Allier, en apprenant, vendredi, que les autorités fédérales, par le Conseil de la télévision canadienne de franchir un nouveau pas dans l'élaboration d'une loi de réglementation de la câblo-diffusion.

Insistant qu'une telle initiative était contraire à la lettre et à l'esprit des discussions qu'il a eues récemment avec son homologue fédéral, M. L'Allier a dit que ni lui, ni son ministère, ni le gouvernement du Québec n'avaient préalablement avisés, consultés ou même informés des projets du CRTC dans ce secteur précis où le Québec a assumé clairement son intention d'assumer ses responsabilités.

Le refusant toutefois de commenter avant le contenu de la politique fédérale dévoilée, vendredi, à Ottawa, le ministre a révélé qu'il en étudierait les séquences avec les fonctionnaires de son ministère des qu'il lui serait possible d'obtenir les textes complets à ce sujet.

M. L'Allier a par ailleurs expliqué que seul le nombre de lois présentées à la dernière session avait empêché l'Assemblée Nationale de procéder à l'étude et à l'adoption des projets de

lois relatifs aux communications et à la réglementation de la câblo-distribution.

"Cette législation sera étudiée en priorité à la reprise de la session à l'automne", a-t-il précisé.

Ajoutant que les réactions et la position du gouvernement à l'action unilatérale du gouvernement fédéral seront rendues publiques après des discussions avec le premier ministre du Québec, M. Robert Bourassa, M. L'Allier a terminé en disant que "quant au Québec, quelles que soient les décisions administratives du CRTC, elles ne préjugent en

rien du résultat final des négociations en cours avec Ottawa".

D'autre part, le porte-parole d'un important système de télévision par câble, en Ontario, estime que la proposition du Conseil de radio-télévision canadienne visant à faire payer les différents systèmes pour l'usage des émissions diffusées par les stations canadiennes "est une forme de taxation discriminatoire".

M. Israel Switzer, de la Maclean-Hunter Cable TV Ltd., a dit que le CRTC suggère ainsi que "les abonnés aux systèmes de câblodiffusion devraient fin-

ancer la télédiffusion canadienne et sa production".

"Si ces paiements doivent être faits... nous n'avons d'autres choix que d'augmenter la cotisation des abonnés", a-t-il souligné.

Le président de la Greater Toronto Cable Television Association juge que les propositions du CRTC indiquent "une attention exagérée pour le bien-être des stations de télévision canadiennes".

D'autre part, le président du réseau CTV a déclaré que les propositions, comme il les a comprises, obtenaient son total assentiment.

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CRTC control surprises Bourassa

The federal government's decision to retain control over private television outlets such as cable TV has come as a surprise to Quebec Premier Robert Bourassa.

For the past several months, provincial Communications Minister Jean-Paul L'Allier has been negotiating with the federal government with the hopes of having Quebec control the cable TV set up in this province.

RETAIN CONTROL

But in an announcement last week, the Canadian Radio-Television Commission, the regulatory agency of broadcasting in Canada, announced that Ottawa, for the time being, would retain control over the various cable TV systems.

"I am surprised to hear that such an important policy

decision has been issued since discussions between Quebec and Ottawa are under way," said Premier Robert Bourassa on CJAQ's Quebec Report provincial affairs program.

"We had the impression that no such policy statements would be made," added the premier.

But Bourassa said the federal government's decision "does not prevent further discussion" of the subject and it is still his government's aim to control cable TV.

OTHER BUSINESS

Turning the topic to the bills which were passed in the National Assembly before the summer recess last week, Bourassa said he was satisfied with the session because his government "wanted to have them (bills) out of the way" before the government reconvenes next fall.

The consumer affairs protection law, he said, "would benefit all Quebecers."

JAMES BAY

The formation of the James Bay corporation was "a very big economic decision" for the National Assembly "which would leave the leadership and control of Quebec's

natural resources in the hands of Quebecers."

Bourassa said the development of the James Bay project "would be a very serious blow to the separatists in Quebec" and it was for this reason that the Parti Quebecois was so opposed to it.

Another important piece of legislation, said the premier, was the decision to form a committee to examine the need to reform Quebec's electoral map.

The premier said he hoped that the parliamentary commission would plan a "real and just electoral map" for all citizens of Quebec.

Les exploitants de câbles doivent payer des droits aux stations

Constantineau

Les quatre cents ou quel-
diffuseurs du pays ne pour-
rions se considérer, de-
sine fédéral qui les régit,
simples fournisseurs de ser-
ques: le Conseil de la radio-
madienne en faisant connaître
premier "fonction de poli-
division par câble", à cha-
li entre autres le principe de
entreprise de câble "vend des
bons, c'est-à-dire les émis-
si fournissent les stations de

et étant défini, voyent les
TV comme "fournisseurs"
diffuseurs comme "usagers",
hésite pas à déclarer corol-
ue "chacun doit payer pour
se dans l'exploitation de son

" dorénavant le Conseil s'at-
l'exploitant de câble paie pou-
ions et les services qu'il re-
des habitants.

e qu'il s'agit là d'un besoin ur-
fait d'un bon, pour le marquer,
radiodiffuseurs jusqu'ici bien
sont menacés de disparition
si la situation n'est pas corri-
pour ce qui est de savoir com-
pensation ou la rétribution
s'accomplir, le CRTC n'ose
e donner d'indications préci-
au plus propose-t-il certaines
comme celle de l'achat com-
"d'autres émissions" auprès
diffuseurs et de "diverses sour-
gratant tout fois qu'il convien-
assurer que les systèmes qui
nibre réduit d'abonnés ne soient
rés et que les paiements soient
nés à la fluctuation financière
exploitent de câble.

même ligne de pensée, sou-
"redonner sa logique préexis-
tante local de radiodiffusion et
per le territoire commercial
tion locale de télévision sans
acle au développement du câ-
seil se prononce de façon très
la question de la duplication
ions et déclare qu'à compter
septembre 1972, les systèmes de
servant 3.000 abonnés ou plus
le 40 abonnés ou plus au mille
devront, à la demande de la
oritaire de leur territoire, sup-
diffusion d'une émission ou d'u-
d'émissions que diffuseraient
ment cette station et une autre
moindre.

de priorité auquel tous les
seurs canadiens devront dé-
e conformer, dans la réparti-

territoire que dessert le système de
câble. Ce sont les stations locales.

● Toutes les stations canadiennes
dont la zone de rayonnement B (où
la réception exige généralement une
antenne extérieure, couvre une partie du
territoire du système de câble, sauf
s'il s'agit d'une station affiliée au même
réseau qu'une station locale. Ce sont
les stations régionales.

● Toute station de Radio-Canada of-
frant le service national complet, si elle
est disponible même sans entrer dans
le domaine des deux priorités antérieu-
res.

● Toutes les stations canadiennes
éloignées, dont le rayonnement B n'at-
teint pas le territoire du système de câ-
ble, lorsque la réception est technique-
ment et économiquement possible et si
ces stations ne sont pas affiliées au même
réseau qu'une station locale ou ré-
gionale.

Une fois ces priorités assurées, le
CRTC laisse l'exploitant de câble libre
de diffuser n'importe quelle station sur
ses canaux non utilisés, bien qu'il exi-
ge encore de lui qu'il mette un canal à la
disposition des autorités provinciales, si
elles le lui demandent pour diffusion
d'émissions éducatives.

Enfin, si deux stations sont situées à
distance égale du système du câble mais
dans des provinces différentes, priori-
té est donnée à celle du même territoi-
re provincial.

Le CRTC se prononce également sur
la télévision communautaire dont il rap-
pelle qu'il a sans cesse soutenu qu'elle
donnait l'occasion d'enrichir la vie com-
munautaire en favorisant la communica-
tion entre les individus et les groupes".
Il encourage prudemment les câblo-dif-
fuseurs à s'équiper à cette fin, en fai-
sant valoir que "ce sont souvent les
techniques et les installations les plus
simples et les moins coûteuses qui s'a-
vèrent les plus efficaces". Il va même
jusqu'à recommander trois types d'é-
missions, dont l'émission préparée et
réalisée avec la participation directe des
citoyens, en soulignant qu'il en est beau-
coup d'autres possibles.

A cet égard, le Conseil précise qu'il
favorise "une approche plutôt tolérante
quant au contenu". Il ajoute cepen-
dant que de nombreux systèmes de-
vraient témoigner du bilinguisme des
communautés qu'ils desservent.

Parlant des réseaux de systèmes de
câble, d'autre part, le CRTC évoque "le
danger que des raccordements effectués
sur une grande échelle réduisent grandement
l'efficacité de la programmation lo-

cale". Aussi annonce-t-il qu'il ne per-
mettra l'établissement de réseaux de câ-
blo-diffusion où l'échange de rubans ou de
films que "lorsque ces procédés ne se-
ront pas préjudiciables à l'accès des ci-
toyens aux émissions communautaires".
Et à propos de liberté d'accès, le Con-
seil admet en principe que l'on ait re-
cours à ses bons offices en cas de dif-
férend.

En ce qui concerne le principe, "fon-
damental" selon lui, de la compensa-
tion ou de l'indemnisation des câblo-
diffuseurs aux stations de télévision, le
Conseil explique qu'il "ne s'agit pas
simplement de la nécessité d'un trans-
fert de fonds", et que "toute méthode de
rémunération devra servir à renforcer
la radiodiffusion en augmentant la valeur
du système". Le document ne fait qu'u-
ne courte allusion à la question du droit
d'auteur, pour dire qu'il s'agit là d'un
principe "dont l'application est assez
restreinte", pour l'instant, dans le do-
maine envisagé.

A propos des stations américaines et
de leurs messages publicitaires destinés
à des auditoires canadiens, le CRTC
annonce enfin deux mesures. En premier
lieu, il permettra aux exploitants de câ-
ble de supprimer les messages commer-
ciaux des stations qui ne detiennent pas
de permis au Canada. Il ne leur permet-
tra pas de revendre cette valeur com-
merciale, mais il va jusqu'à leur pro-
poser de la redonner, selon des accords
à négocier, à des radiodiffuseurs cana-
diens.

En deuxième lieu, le Conseil déclare
qu'il invitera le gouvernement fédéral à
amender l'article 12-A de la loi sur
l'impôt, article qui interdit aux entre-
prises commerciales canadiennes de
considérer comme déductibles les dé-
penses publicitaires faites dans des pé-
riodiques étrangers, afin qu'il s'appli-
que aussi aux stations étrangères de
radio et de télévision.

Le président du Conseil, M. Pierre
Juneau, qui a rencontré les journalistes
en fin d'après-midi, s'est fait deman-
der par ailleurs dans quelle mesure
le CRTC avait consulté le Québec avant
de prendre les décisions annoncées,
et tenu compte de l'intention québécoise
de régir éventuellement la câblo-dif-
fusion.

M. Juneau a répondu que le Conseil
ne faisait rien de plus que d'appliquer
la loi canadienne de la radiodiffusion,
et que même si Québec et Ottawa s'em-
ployaient à négocier des ententes parti-
culières dans le domaine des commu-
nications, l'urgence de la situation exi-
geait que l'on s'occupât de la câblo-dif-
fusion sans délai.

CRTC: les priorités du câblodiffuseur

OTTAWA — Le nouvel énoncé de politique du CRTC au sujet du télécâble établit la composition des services essentiels que cette industrie doit fournir à la communauté.

C'est ainsi que le câblodiffuseur devra en priorité assurer la transmission de toutes les stations de télévision dont la zone de rayonnement locale comprend toute partie du territoire que doit desservir le système de câble en question.

En deuxième priorité viennent les stations de télévision dont la zone régionale officielle de rayonnement comprend toute partie du territoire que doit desservir le télécâble sauf s'il s'agit d'une station affiliée au même réseau canadien qu'une station locale.

Selon le CRTC, la plupart des abonnés à un télécâble recherchent une plus grande diversité et un plus large éventail d'émissions. La programmation locale peut constituer, estime le Conseil, un élément important à cet égard. Elle peut susciter en retour une augmentation dans le nombre des abonnés et donc dans les recettes.

L'information communautaire

Le CRTC avance donc que les réseaux de télévision par câble doivent être encouragés à utiliser un canal pour favoriser l'expression et l'information communautaire.

Les câblodiffuseurs devraient en fait assumer, souligne le CRTC, la responsabilité des services qu'assure un canal réservé à la programmation locale.

De nombreux réseaux de télévision par câble devraient également témoigner du bilinguisme des communautés qu'ils desservent.

Dans certains cas, il sera opportun de réserver un deuxième canal aux émissions réalisées dans la deuxième langue officielle.

Un fait intéressant à noter également: c'est que la nouvelle politique forcera la suppression ou le remplacement des émissions lorsque des émissions identiques sont à l'horaire de différentes stations qui desservent la même communauté.

Cette nouvelle exigence permettra aux stations déjà autorisées à desservir un secteur donné de recouvrer leur part de l'auditoire local, sans tou-

tefois réduire ou limiter le choix du téléspectateur.

En vue par ailleurs d'aider les détenteurs de permis de télécâbles à attirer les capitaux nécessaires à leur développement, le CRTC, chaque fois qu'il sera possible de le faire, octroiera à toutes les entreprises de radiodiffusion des permis d'une durée de cinq ans.

Le Conseil autorisera également des permis d'une durée de cinq ans.

Le Conseil autorisera également les câblodiffuseurs à retransmettre les signaux de stations éloignées en utilisant les micro-ondes.

LE DROIT
17 juillet 1971

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CRTC
CATV

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LE CRTC FAIT "PAYER" L'INDUSTRIE DU TELECABLE

par Jean-Guy BRUNEAU.

OTTAWA — Les entreprises de télévision par câble aient payer les émissions qu'elles captent des stations de télévision.

C'est là un des principes fondamentaux sur lesquels s'appuie l'ensemble de politique sur le télé-câble du Conseil de radio-télévision canadienne. La nouvelle politique rendue publique, vendredi, vise à assurer l'intégration de cette industrie sans cesse croissante dans l'ensemble du système de télé-

vision canadien. Les nouvelles directives imposeront en plus, des exigences de responsabilité accrues aux entreprises de télé-câble et par ricochet, corrigera les injustices qui se sont, au cours des années, introduites dans le système.

En fait, le président du CRTC, M. Pierre Juneau, cette nouvelle politique ne se fait pas sur le dos des câblodiffuseurs. Elle leur permettra au contraire leurs possibilités de services et elle fera de cette industrie "un citoyen honorable de la communauté de la radiodiffusion".

Les entreprises de télé-câble ont jusqu'à ce jour rendu de nombreux services à la population en général, elles ont néanmoins imposé de lourds fardeaux financiers sur les télédiffuseurs locaux. Ces derniers ont été fragmentés par la retransmission sur câble de signaux en provenance de stations étrangères, en conséquence, les stations locales en ont souffert.

M. Juneau, la nouvelle politique permettra de réduire l'effet préjudiciable des réseaux de télévision par câble sur les stations locales, tout en favorisant l'essor de la radiodiffusion.

La nouvelle responsabilité financière, la nouvelle politique du CRTC déterminent les services essentiels que la communauté, y compris les stations de Radio-Canada et des autres stations locales, a besoin d'un canal communautaire, et lorsque les autorités provinciales le demandent, l'accès à un canal destiné aux émissions éducatives.

L'achat des émissions

Le problème des relations entre les entreprises de télé-câble et la télévision constitue un problème fort complexe. Les problèmes émergent de la transmission par câble des émissions de télévision. Les câblodiffuseurs retransmettent des émissions de télévision. Ils ne peuvent se passer pour assurer leur service, et contribuent pas au coût de production de ces émissions.

En fait, les réseaux de télévision par câble retransmettent quelquefois dans une région donnée jusqu'à 8 signaux qui elles-mêmes ne sont pas autorisées à diffuser dans la région, et même de stations qui ne sont pas autorisées au Canada. Il en découle que le territoire du CRTC avait accordé à un détenteur de permis de retransmettre cette même région perd de plus en plus son caractère régional.

Il est devenu à ce point grave que certaines émissions de télévision pourraient être bientôt forcées de fermer leurs portes.

A ce moment, c'est la population locale qui y perd puisqu'elle n'a plus accès à cette programmation locale.

Face à ce problème il faut retenir le principe suivant: bien que la télévision par câble soit utile aux stations de télévision en améliorant la qualité de l'image et en augmentant le rayonnement, la survie des stations de télévision ne dépend pas de la télévision par câble. Toutefois, la télévision par-câble dépend entièrement des stations de télévision dont elle utilise les services.

La télévision est, à proprement parler, signale M. Juneau, la raison d'être de la télévision par câble.

Même si certains câblodiffuseurs allèguent qu'ils ne font que vendre un service d'antenne, il est clair que les abonnés, eux, achètent des émissions et non des antennes.

Le CRTC estime donc que les réseaux de télévision par câble sont des usagers des stations de télévision. Ils devraient par conséquent payer pour ce qu'ils utilisent.

Les sommes versées par les câblodiffuseurs devraient servir selon le président du CRTC, à seconder les radiodiffuseurs dans la tâche qui leur incombe de satisfaire aux besoins toujours croissants du public pour des émissions canadiennes de haute qualité.

Dans son énoncé de politique, le CRTC ne fixe pas de délai précis ou de critère quant au mode de paiement. Il laisse l'élaboration d'une telle formule aux radiodiffuseurs et aux câblodiffuseurs.

Ces derniers ne devraient toutefois pas se méprendre. A défaut de solution de leur part, le Conseil prendra les dispositions nécessaires pour atteindre cet objectif.

Ce paiement pourrait être, en vertu de la politique du CRTC, proportionnel au revenu brut par mille de câble, c'est-à-dire basé sur la capacité du réseau de câble d'effectuer ce paiement.

July 17, 1971

Canadian television productionI. MACDONALD
CRTC
CABLE

CRTC WANTS CABLE FIRMS TO SHARE COST

by L. IAN MacDONALD
of The Gazette
The Canadian Radio-Télévision Commission yesterday took another step along the tortuous path toward regula-

tion of the nation's cable television systems.

The CRTC, the regulatory body of broadcasting in Canada, issued at Ottawa a new policy paper in which it was proposed, but not ordered, that operators of cable systems be made to carry a share of the costs of native television production.

Under the present arrangement, the cost of any subsidies on per year beginning in 1972, would be borne by licences in Montreal, Toronto and Vancouver and, in turn, can be expected to pass the cost on to their subscribers in the form of a monthly per month increase on subscription charges, though rate changes would need approval of the CRTC.

At present, 100,000 Montreal subscribers pay \$5.40 per month for cable TV service, which consists largely of clear signals from three United States border channels, each affiliated with one of the three American networks, the Columbia Broadcasting System, National Broadcasting Company, and the American Broadcasting Company.

The situation in Toronto and Vancouver is the same.

Cable operators do not pay for the use of either American or Canadian signals. In the commission's view, this constitutes a clear threat to the well-being of Canadian television broadcasting, especially the private sector. The Commission cites the rate of growth of the cable television industry which now reaches 1,200,000 Canadian homes with a further penetration of 200,000 homes a reasonable forecast for 1971.

The commission sees this increasing fragmentation of the audience for Canadian stations alarming but, short of blacking out U.S. channels, which it does not now propose to do, it has been able to find no easy remedy to the problem.

And, clearly, in the present policy paper, the commission, which has been considering the matter for months, sees no hard remedies in sight.

IDENTICAL PROGRAMS

Its recommendation of limited subsidization of TV production by the haves among the cable operators is, at this stage, nebulous, with any and all details remaining to be worked out among the principals.

Similarly, the commission's opinion that the signal of distant stations might be deleted when their program were competing with identical programs on a local station,

was not in the form of a ruling.

However the commission appeared firm in its recommendation that the federal government amend the income tax laws so Canadian firms advertising on U.S. border channels would henceforth lose the tax privilege of writing such costs under business expense.

"That's interesting," said Art Bradley, manager of WPTZ-Channel 5 at Plattsburgh N.Y., a border station which relies on a large portion of advertising income from sales made in the Montreal region.

By JOHN GRAY

The Star's Ottawa Bureau

TAWA — Cable television companies in Canada will have to pay for the programs which they receive and relay from Canadian television stations.

Canadian Radio-Television Commission announced this yesterday evening policy statement on television which the CRTC has been considering since it was established three years ago.

Some of the payment arrangements still to be worked out, probably with CRTC involvement, between cable companies and television in-

Chairman Pierre Juneau said the commission is prepared to consider a variety of payment schemes, but will remain on the principle that the television companies must pay.

At the same time, the CRTC announced a list of priorities for the television companies in choosing the television stations which they may carry on their system.

At the top of the list are local and regional stations, as well as community programming and educational television, if an educational channel is available to provincial authorities.

In earlier indications that the commission would severely limit the number of American television stations on their systems, the CRTC is prepared to accept up to 10 U.S. commercial channels.

The CRTC statement said the commission had not changed its earlier position that cable systems are a threat to Canadian television.

The statement repeated a commitment of last February in which the CRTC issued the solemn warning that "a solution (to cable) must be found if the Canadian broadcasting system is to survive."

To produce programs

The CRTC specified money paid by television companies — either to television stations or independent producers — must be used for program production. In calling for a program production policy, the statement yesterday said that "broadcasting cannot survive on technology alone."

Canada must quickly develop a television production industry reflecting a purely Canadian and international character. Otherwise, we will simply be importing a technically sophisticated distribution system for imported programs."

The CRTC, in deciding the future of television, rejected both the idea of uncontrolled growth of cable systems, and the alternative of halting or rolling back the development of cable sys-

tems. Both alternatives were considered unsatisfactory. Television could not be the population with cable out-

control, on one hand. And on the other hand, there is a clear public desire for cable.

The CRTC singled out two particular problems with cable systems. The first was that they do not now contribute to the cost of program production.

The second is that the franchise granted local stations becomes less and less meaningful as more and more distant stations are relayed into an area by cable systems.

The expensive program obligations of television stations become more and more difficult to fulfill, the commission said.

"It becomes a matter of time before the station must reduce its service to the public or even has to terminate the service completely."

Top priority

However, the commission rejected as impossible and undesirable the idea of all television from other countries, in particular the U.S., should be kept out entirely.

As a top priority, cable systems will have to carry local stations in their communities.

They will also have to carry regional stations unless they are private affiliates forming part of either the same network as the local station.

If a distant station carrying the full national service of the CBC is available, but cannot be picked up by aerial to qualify as a local or regional station, it must also be carried by cable.

Also, where it is economically and technically possible, cable systems must pick up distant stations if they are not affiliated to the same network as local stations.

In addition to the requirement to carry educational television where requested by provincial authorities, the CRTC leans heavily on local programming.

Local programming can enrich community life, says the CRTC, and can be an important means of widening the choice of programs. That, in turn, should attract more subscribers and increase revenue for the cable systems.

The CRTC sets out three different types of program for a locally programmed channel:

—Community programming, which would involve direct citizen participation in program planning and production.

—Coverage of local activities of all kinds by the cable system production staff.

—Informational programming which would inform the community about matters of concern and interest, which could be very special or general in their appeal.

Beyond those restrictions, the CRTC's new policy would permit a cable system to pick up distant Canadian or American television stations for distribution on their cable systems.

However, the commission says the number of American stations which are received by microwave relay "will generally be limited to three" and may be less if local television is threatened.

Prevent write-offs

One additional safeguard for Canadian television is the CRTC's recommendation to prevent Canadian companies which buy advertising on American television stations from writing off the cost as a business expense.

The commission recommended the government amend the income tax law to prevent such write-offs, in the hope the revenue would be directed instead to Canadian stations.

The tricky area of the new policy statement — and the major innovation — revolves around the question of cable companies paying for the programs they use.

The CRTC statement says that the fundamental relationship between television stations and cable companies is that the television stations are the suppliers and the cable companies are the users.

The basic principle involved, says the CRTC, is "one should pay for what he uses to operate his business."

More is needed than the simple transfer of funds. Money paid by the cable systems should be used to help broadcasters fulfill the increasing public need for Canadian programs of a high standard.

000918 10

The CRTC offered suggestions about a possible payment system, through the purchase of additional Canadian programs from broadcasting stations and other sources.

But that suggestion was a suggestion and not a policy, it said. The suggestion could be the basis of discussion between television and cable licence holders.

A system based on the cable industry's gross revenue per mile of cable might have amounted to \$2 million for the year up to August 1979, the CRTC estimated. That amount would grow rapidly in future years.

In the case of duplication of programs between local and optional television stations, the CRTC gives priority to the local station.

The priority station can require the local cable company to delete a program from the transmission of a lower priority or optional station while it is broadcasting the same program.

Also, any Canadian station carried by a cable system can require the cable company to delete the program of an American station.

The CRTC also opened the way for cable companies to cut out commercials from American stations.

Cable companies will not be permitted to sell replacement commercials themselves, but the CRTC suggests "contractual arrangements" with local Canadian television stations to undertake that job.

The local television station could, by agreement, insert replacement commercials carried by the station.

The CRTC says that the sale of advertising by the cable companies on the locally programmed channel "would not be beneficial to the Canadian broadcasting system at this time."

By BOB DOUGLAS

By The (CP) — The Canadian Radio-Television Commission proposes to give Canadian television a shot in the arm—money from cable television.

CRTC chairman Pierre Juneau told a news conference Friday that the commission will require cable operations to pay for Canadian TV programs. The payment method will depend upon talks with cable operators and television broadcasters, the commission said in a policy statement released earlier Friday.

The commission suggested that a scheme could be based on gross revenue per mile of cable. This would have amounted to \$2 million in 1970 could amount to perhaps twice that figure in the year beginning Sept. 1, 1972.

He asked whether this would lead to subscriber rate increases. Juneau said cable operators would apply for higher rates if additional services are provided. He did not specify what services would be.

General manager of Skyline Television Ltd. in Ottawa, Poltras, said customer rates would go up if the cost of Canadian-produced programs is high.

"If we were asked to pay television stations for programs it would depend upon the amount. If it was too high we would have to put rates up if it were allowed to," Mr. Poltras said.

"I hope something can be worked out between the stations and the cable companies that would be acceptable to both but that it would not affect the cable subscriber," he said.

Short, president of the Ontario Cable Television Association, said in a later interview that the arrangement could be worked out with broadcasters. "I am in favour of compensation for use of Canadian programs. We look forward to talking with the broadcasters about this."

The compensation policy was one of a number of methods mentioned by the commission, designed to bolster the Canadian TV industry. The CRTC said cable companies are users of television programs and should pay for them.

The commission said a local Canadian TV station could require a cable system to delete a program from a distant television outlet if the identical program is carried at the same time on the local station.

This applies after Sept. 1, 1972 to cable systems of more than 3,000 subscribers or with more than 40 subscribers per mile of cable. The CRTC would have to be informed beforehand of the requested deletion.

The CRTC also said that television broadcasters could negotiate with cable operators to remove commercials from U.S. television station programs carried on cable. These could be replaced by Canadian TV advertisements. This would not affect distant Canadian stations whose commercials could not be removed.

NO LONGER DEDUCTIBLE

The commission also said it will recommend to the government that the federal income tax law should be changed to prohibit Canadian advertisers on U.S. television from deducting advertising costs as business expenses.

This could make advertising by Canadian companies on U.S. stations near the border less attractive.

The commission announcement followed months of discussion about the impact of cable on Canadian television.

The debate was based on a February CRTC report that said the future of Canadian broadcasting is threatened if cable is allowed to continue growing as it has in the past.

The report said that U.S. stations carried on cable made local Canadian stations less attractive to advertisers, undermining their revenue position.

TORONTO (CP) — The Canadian Radio-Television Commission is prescribing "a form of discriminatory taxation" in its proposal to charge Canadian cable television systems for their use of programs aired by Canadian TV stations, a spokesman for a major Ontario cable television system said Friday.

Israel Switzer, chief engineer with Maclean-Hunter Cable TV Ltd., which operates 16 cable television systems in the province, servicing 140,000 subscribers, said what the CRTC is suggesting is "that cable television subscribers should sub-

sidize Canadian broadcasting and program production."

"This amounts to a form of discriminatory taxation in that only one portion of the Canadian public would be paying an additional tax toward the cost of a Canadian broadcasting system," Mr. Switzer said.

"If these payments have to be made . . . there is no alternative but an increase in service charges to subscribers."

par Claude MASSON
notre bureau de Québec

EC — Le geste posé, hier, par le conseil de la radio-télévision canadienne concernant l'industrie de la télévision entraînera vraisemblablement de nouvelles tensions entre l'Ottawa, en matière de communications.

Le geste posé, hier, par le conseil de la radio-télévision canadienne concernant l'industrie de la télévision entraînera vraisemblablement de nouvelles tensions entre l'Ottawa, en matière de communications.

ou même seulement informé, le ministre québécois des Communications, M. Jean-Paul L'Allier, a été le premier à parler des "nouvelles tensions" qui pourraient survenir ce sujet.

"Compte tenu des négociations actuellement en cours entre Ottawa et Québec en cette matière", a dit M. L'Allier, "il ne faudrait pas s'étonner que de nouvelles tensions apparaissent dans les relations Québec-Ottawa en matière de communications et plus particulièrement de câble-diffusion si l'on continue d'ignorer les revendications québécoises."

Le Québec est visiblement vexé de ne pas avoir été prévenu du geste du CRTC, d'autant plus que MM. Gérard Pelletier et Jean-Paul L'Allier, qui ont entrepris les discussions fédérales-provinciales au chapitre de la câble-diffusion, s'étaient entendus pour ne faire aucune déclaration publique afin de ne pas envenimer les débats. Ottawa, par le CRTC, aurait faussé la consigne le premier.

Québec promet de réagir

C'est ainsi que le ministre des Communications a fait savoir que le gouvernement québécois fera connaître "publiquement" les réactions et la position du Québec "à l'action unilatérale du fédéral" après que ce cas aura été discuté avec le premier ministre Bourassa et le conseil des ministres.

Se disant très déçu d'apprendre que les autorités fédérales avaient franchi seules un nouveau pas dans l'élaboration d'une politique de réglementation de la câble-diffusion, M. L'Allier a réaffirmé que le Québec a l'intention d'assumer ses responsabilités dans ce secteur précis.

Se prononçant pour l'instant uniquement sur la forme, le député de Deux-Montagnes a ajouté : "Une telle initiative est contraire à la lettre et à l'esprit des discussions que j'ai eues avec le Secrétaire d'Etat, M. Gérard Pelletier".

On sait que le gouvernement québécois a déposé en première lecture, au cours de la session qui a pris fin mercredi, trois importants projets de loi relatifs aux communications et à la réglementation de la câble-diffusion.

En raison du grand nombre de projets de loi présentés durant cette première partie de la session, les "lois L'Allier" n'ont pu être étudiées ni adoptées. Cette législation, a-t-on fait savoir hier, sera étudiée "en priorité" à la reprise des travaux parlementaires, le 24 octobre.

Par ces projets de loi et par le document de travail déposé il y a quelques mois par le ministre L'Allier, le Québec indique clairement son intention de s'accaparer de la juridiction dans le champ de la câble-diffusion.

Québec attend les textes

M. L'Allier a dit, hier, que les décisions administratives du CRTC ne préjugent en rien des négociations en cours avec Ottawa.

Le ministre des Communications commentera d'une façon détaillée la réglementation annoncée par le CRTC "dès qu'il lui sera possible d'obtenir les textes complets". Une conférence de presse sera vraisemblablement convoquée à ce sujet au cours de la semaine prochaine.

La veille de l'annonce, par le Conseil de la radio-télévision canadienne, des règlements concernant l'industrie de la câble-diffusion, le ministre L'Allier avait fait savoir que le Québec continuera à se donner les moyens nécessaires pour régler le câble.

"Nous suivons d'ailleurs très attentivement toutes les initiatives qui peuvent avoir une influence directe ou indirecte sur l'avenir de la câble-diffusion, avait-il dit, et, dans ce cas comme dans les autres, nous ferons, s'il y a lieu, les mises au point qui s'imposent."

La première mise au point ne s'est pas fait attendre. Le mécontentement du Québec a été énoncé quelques heures à peine après la conférence de presse du président du CRTC.

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par Claude TURCOTTE
de notre bureau d'Ottawa

AWA — Dans son énoncé de po-
à l'égard de la télévision par
le Conseil de la radio-télévision
ne (CRTC) propose des mesu-
vue de garantir la survie des
ises de télévision et de câble,
à permettant l'entrée des émis-
les États-Unis et d'autres pays.

En première vue, la possibilité simpli-
de ces deux objectifs peut pa-
condemner, mais ce pour-
ver par une réglementation adé-
quante des entreprises de ca-
ble. Le Conseil a également
n émis un avis défavorable sur
d'interdire l'entrée des émis-
sions étrangères par câble.

CRTC a présenté une analyse
politique sur les entreprises de
câble et a établi un ordre de priorités
le choix des émissions à trans-
mettre. Les stations locales auront
la première place, de même
les services communautaires pro-
posés par une entreprise de câble. Un
degré sera réservé pour les
émissions éducatives provinciales.

La place est faite ensuite pour les
stations les plus éloignées (rayon-
nement B) et les réseaux nationaux
et leurs émissions ne sont pas
les par un poste local affilié.
Il s'appliquera ce nouvel ordre de

En fait, une station locale ou une
station provinciale pourra de-
mander et obtenir la suppression et le
remplacement des émissions diffusées
sur un autre canal et qui sont identi-
ques à celles qu'elle transmet elle-même.

Il y a plus d'éviter la répétition des
émissions par une entreprise
de câble, cette politique qui s'appliquera
aux messages publicitaires

assurés aux stations prioritai-
res revenus de publicité accrus,
et ces stations pourront trans-
mettre en exclusivité des émissions
de réseaux ou de postes éloi-
gnés.

La économie de temps sur les ca-
bles d'une entreprise de câble a per-
mis au CRTC de donner son accord à

la retransmission par les câbles d'é-
missions produites par des stations
étrangères captées par micro-ondes.

Le nombre de canaux destinés à ce
type d'émissions sera limité à trois.
ce qui représente tout de même un
changement d'attitude du CRTC, car
remarquable, puisque jusqu'à main-
tenant il avait refusé d'accorder son
accord à l'usage des micro-ondes
pour la transmission d'émissions
américaines par le truchement des en-
treprises de câble.

Il s'agit dans ce cas d'une ouver-
ture sur l'extérieur. Le CRTC d'ai-
leurs souhaite que l'on pourra avant
longtemps permettre également la
transmission d'émissions étrangères
non américaines, grâce à l'usage des
satellites de communications.

La mise en œuvre de cet ordre de
priorités devra commencer le 1er sep-
tembre 1972 et s'appliquer aux sys-
tèmes de télévision par câble existants
à partir d'un point d'entrée desservant
3,000 abonnés ou plus, à raison de 40
abonnés par mille de câble principal.

Une station de télévision qui voudra
la suppression d'une émission devra le
demander par écrit. Un délai de sept
jours est prévu pour l'application de
cette requête.

Le CRTC par ailleurs demande au
gouvernement fédéral de modifier
l'article 12a de la loi de l'impôt sur le
revenu afin d'y inclure les dépenses
de publicité que les annonceurs cana-
diens font auprès des stations qui ne
détiennent pas de licences de radio-
diffusion du Conseil, c'est-à-dire les sta-
tions américaines. Il s'agit en somme
de ne plus accorder de déductions
d'impôts aux compagnies pour leurs
frais de publicité via les postes améri-
cains. Cette mesure s'applique déjà

aux magazines étrangers distribués au
Canada.

Rémunérer les téléviseurs

Un autre élément important du do-
cument publié hier par le CRTC con-
cerne l'obligation éventuelle pour les
entreprises de câble de verser des
frais aux stations de télévision pour
les émissions qu'elles leur emprun-
tent.

"Chacun doit payer pour ce qu'il
utilise dans l'exploitation de son entre-
prise", dit le CRTC.

Pour l'instant, il ne s'agit pas d'im-
poser une formule, mais le CRTC sou-
haite que les propriétaires de stations
de télévision et d'entreprises de câble
vont bientôt commencer des pourpar-
lers pour en arriver à des proposi-
tions concrètes à ce sujet, avec la
participation du CRTC.

Si un accord ne pouvait être at-
teint, alors le CRTC devrait lui-même
mettre au point une formule de rému-
nération.

M. Pierre Juneau, président du
CRTC, estime que cette obligation pé-
cuniaire ne va pas écraser les entre-
prises de câble, puisqu'au contraire
elles auront désormais une plus
grande liberté de choix des émissions
et qu'en offrant de meilleurs services
leur clientèle va augmenter.

Les frais qui seraient payés par les
entreprises de câble serviraient entiè-
rement à la production des émissions.
Le CRTC continue de déplorer que la
qualité des émissions produites au Ca-
nada n'a pas progressé au même
rythme que la qualité technique de
ces émissions.

Le CRTC soutient qu'il est urgent
de faire un effort en ce sens et de-
mande aux gouvernements et à leurs
agences d'offrir des stimulants con-
crets.

Comme première démarche, il ver-
rait très bien que le rôle de la Société
de développement du cinéma soit
étendu aux programmes de télévision.

July 17, 1971

OTTAWA BOARD DIRECTS CABLE FIRMS TO PAY TV STATIONS FOR PROGRAMS

CATV
CRTC
PAY TV

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By MICHAEL SMITH
Globe and Mail Reporter

OTTAWA — The Canadian Radio-Television Commission announced yesterday that cable television systems must for the Canadian Commission promising they now receive from conventional broadcasters.

st how the payments, h the commission esti- s will run to about \$2 on a year, will be worked be ironed out in meetings ble and regular TV rep- tatives. But the commis- said it is adopting as pol- he fact that the cable sys- must pay.

ause cable televisions ns are "completely de- nt on the television stan- whose services they they should no longer ree use of their pro- s, the CRTC says.

effect, while cable tele- operators may argue are really only selling a service, sophisticated is, the subscribers are not antennas but pro-

announcement was part 11-page policy statement integration of cable tel- into what the commis- als a single broadcast- stem.

based heavily on the ssion's 30-page white of Feb. 26, in which it d a long list of alterna- or the integration of cad- conventional televi-

white paper proposals icsussed during week- arings in Montreal in

provisions in the an- nent yesterday in-

re a Canadian station a U.S. network prot the same time, the V firms should, where , carry the Canadian of the program.

request that the federal nent amend Section the Income Tax Act to ge businesses, from ing on U.S. border such as those in

al, where possible,

of cable licences to the maxi- mum term of five years, in an effort to attract investment capital;

—Authorization of cable sys- tems to extend their services by microwave relay, including up to three U.S. stations, if basic Canadian services are provided;

—The development of a Ca- nadian programming indus- try, both for domestic and ex- port use, which, the CRTC says, "is considered of prime importance."

Canada, the Commission says, "now has to pay for the damage" caused by "techno- logical and marketing pres- sures which take no account of the social, cultural, eco- nomic and political objectives of the country."

It views the announcement as a middle-of-the-road ap- proach, rejecting the idea of "unfettered growth" of cable systems, but also avoiding "the creation of conditions that would result in the re- striction, halting or even roll- ing back of the development of cable television."

Commission chairman Pierre Juneau told reporters: "I think it means an end to the worry that the commis- sion would reduce the choice of stations (on cable), that programs would be blacked out. I think it means a policy of openness."

A central idea carried over from the February white pa- per is that cable television poses a threat to conventional broadcasters because cable can import signals from the United States that are nor- mally not available by rooftop antenna.

What this means, in effect, is that a small Canadian sta- tion, which may have only one local competitor, is sud- denly faced with strong com- petition from the three U.S. networks—and therefore stands to lose much of its lo- cal audience.

At the same time, cable tel- evision systems need to begin compensating Canadian broadcasting stations for pro- grams they currently pick up, free from the airwaves.

The Commission suggests, that cable systems might do this through a formula based on the number of miles of ca- ble in each system. This would allow payments to rise in relation to revenues with- out, threatening smaller, sys- tems.

Through a complex series of steps, the CRTC hopes this could encourage cable opera- tors to increase their pur- chases of Canadian programs, while pumping money back into the broadcasting indus- try.

"In order to give a better idea of the significance of the anticipated payments it is noted that the present adver- tising revenue of private broadcasting must cover many expenses leaving less than 25 per cent available for programs," the statement says.

"Almost all the new pay- ment from cable television could be used for production

"Programs selected by ca- ble television systems for ex- clusive play or replay over their facilities would be an at- tractive supplement to cable television service, and could attract new subscribers and more revenue."

An analysis of financial re- turns of cable systems up to August, 1970, shows the total amount resulting from such a scheme could possibly have reached \$2-million for that year, the announcement says.

Because of the rapid growth of cable systems, perhaps twice that amount could be spent in a first year of opera- tion beginning Sept. 1, 1972. This amount would grow rap- idly in future years.

Priority on cable systems would be given to local and regional stations available to the system. If neither of these is owned and operated by The Canadian Broadcasting Corp., available CBC services must also be carried.

Canadian stations that are not affiliated to networks serving the local or regional stations would be next in priority, before U.S. networks may be added, if the CRTC deems it "in the public inter- est."

Local programming on ca- ble systems will remain an important priority, the Com- mission says, adding that "many cable television sys- tems should reflect the bilin- gual nature of the communi- ties they serve."

"In some cases a separate channel in the other official language will be desirable but where channel space is lim- ited a proportion of the pro- grams on the single channel could be in the other official language."

The cable system would thus have to carry Canadian commercials in the duplicated program, rather than import- ing U.S. advertising along with the U.S. show.

To strengthen television ad- vertising sales, the Commis- sion also favors amendment of Section 22.1 of the Tax Act to forbid businesses to write off as a business expense

commercials placed with U.S. border stations.

In the Toronto area, this would have a strong effect on the Buffalo television stations, which currently earn a large part of their revenue from Ca- nadian advertising, much of this revenue could be trans- ferred to Metro-area chan- nels.

Because of the financial bur- den such provisions are bound to place on cable systems, the commission says it will at- tempt to grant broadcasting licences for the maximum term of five years. Changes in subscription costs would be considered as an amendment to the licence, normally after a public hearing.

"While there may be excep- tional circumstances where it is desirable to permit the sell- ing of advertising on the locally programmed channel, the commission believes that, in general, the selling of ad- vertising by cable television licensees would not be benefi- cial to the Canadian broad- casting system at this time."

However, the CRTC says it is ready to hear applications by cable systems that hope to pool their efforts in some form of cable network—an idea it has tended to discour- age in the past.

For instance, this might al- low cable systems to share the same head-end—the an- tenna from which cable sys- tems originally draw their signals—as well as pooling community programming ar- rangements and distribution relays.

Mr. Juneau said the com- mission has decided not to consider allowing common ownership of cable systems by conventional broadcasting corporations except in special circumstances.

July 17, 1971

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CRTC

CATV

By JOHN FRASER TV STATION OPERATORS HAIL NEW CRTC POLICY ON CABLE REGULATION

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long-awaited policy statement on television issued by the Canadian Radio and Television Commission yesterday was described as "historic" and "very important" by all facets of the broadcasting community.

It said, however, the unanimity of reaction followed predictable lines — television station proprietors pleased, while cable company officials expressed apprehension.

Commission Chairman Pierre Juneau, in announcing the policy statement in Ottawa, said that the CRTC would regulate television companies to pay for the programs they carry — although the amount and form of payment had not yet been worked out.

In addition to paying local stations for the right to carry their programs on cable, companies would also be required to develop programs of their own. A maximum use of three United States channels is to be imposed.

One of the most dramatic aspects of the announcement yesterday, therefore, was the far-reaching proposals.

The commission has urged the Federal government to amend the income tax act so that Canadian companies would be able to deduct advertising expenses from U.S. television.

Over the CRTC decision in every way, said John Bassett, president of the Ontario Cable Channel 9 and Toronto Tele-Visions.

Years ago, advertisers who used U.S. stations have not been permitted to deduct expenses for tax purposes. Obviously the same restriction should apply to cablecasting.

Bassett said that he approved the decision to make cable operators pay for the use of U.S. stations.

It is no sense in live broadcasters to purchase or produce programs at great expense for the benefit of cable operators who now pick them out of the air for nothing and transmit them to their customers.

Bassett's enthusiasm for the new policy statement was echoed by Bob Bibby, vice-president and general manager of Hamilton's CHCH-TV Channel 11.

It is premature to comment in detail on the CRTC decision, said Mr. Bibby. "But from what I've heard, it all seems like pretty good stuff. I want to have time to study the document in detail. Then we can see what the wider ramifications will be."

For cable operators, the announcement yesterday was not so much a blow

as the end of many months of anxious speculation.

Robert Short, president of the Canadian Cable Television Association, said in Ottawa that his associates hope a sensible arrangement can be made with television broadcasters.

"We look forward to talking with the broadcasters about this," said Mr. Short. "Nobody minds buying something if you have a say in the matter and get some value from it."

But the reaction from Toronto-area cable operators was one of apprehension. "The CRTC statement deals with problems that affect the entire Canadian broadcasting system," said Israel Switzer, chief engineer of Maclean Hunter Cable TV Ltd. "There doesn't seem to be any consideration for the special situations that prevail in different parts of the country."

Mr. Switzer said Southern Ontario was the most important special area.

"I don't think anyone would say that cable television has significantly changed the viewing habits of people in Toronto or Hamilton. Cable provides an antenna service for better reception. The stations are available with private antennae; all we do is make the operation less complicated."

Mr. Switzer said that if the CRTC's "nationwide" policy is put into effect in Southern Ontario, cable rates to the customer would probably go up.

"To impose extra costs in this area," he added, "is discriminatory and probably illegal — since it can be viewed as a tax which is the sole privilege of Parliament."

Mr. Switzer said that if one followed the CRTC logic, it could be argued that television set manufacturers and distributors should be charged extra since their services rely on the availability of programming.

"And the finance minister has just dropped a 15 per cent excise tax on the sale of TV sets — so how does that fit into the picture?"

In a final riposte, Mr. Switzer said both the CBC in Toronto and CFTO-TV had "benefited from cable TV" a great deal. Let's hope Mr. Bassett doesn't want a return to the bad old days when you couldn't get Channel 9 without a ghost.

Gordon Keeble, president of a newly-formed Keeble Cable TV Ltd., said he found it "a little bit odd" that there was to be no hearing on the CRTC statement.

"It's the most specific and concrete statement on this matter ever issued by the CRTC, but there is no provision for a hearing. Well, there certainly will be a public debate," he said.

Mr. Keeble, whose company services customers in the borough of York, said that whenever a cable company operates near easy pick-up of U.S. stations, it becomes a simple delivery system. If the policy is made law, he added, then there would certainly be an increase in cable rates.

Five of 21 million people use cable facilities in Canada.

"Order was needed in this area," said CTV president Murray Cherkover. "The CRTC policy statement was long overdue and only appropriate. The proposals have my whole-hearted support."

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By PETER THOMSON
Telegram Ottawa Bureau

AWA — Cable television should help support local stations by paying for programming they take to stations, the Canadian Radio Television Commission declared in a major policy announcement yesterday.

CRTC Chairman Pierre Jumeau said this principle would result in higher subscriber rates for cable television services are provided.

The policy also calls for deletion of some programs into Canada on U.S. stations where the same programs are also offered on a local station.

Commercials should be deleted and replaced with ads by conventional Canadian stations to cable systems.

The commission sees this move as a major new source of revenue for conventional broadcasters.

The CRTC also announced it is requesting the Government to pass legislation that would greatly reduce the amount of Canadian advertising placed on U.S. border stations to Canadian audiences.

The commission proposed that section 12 of the Broadcasting Act be altered so cost of such ads would not be a factor.

The CRTC has dropped an earlier suggestion it should limit the number of U.S. stations which a cable system can carry.

Under its new policy could restrict the number of distant Canadian stations carried by Metro cable systems.

Apartment dwellers in Metro will have a better chance of being linked up to cable systems as a result of the commission's policy announcement.

And in some cases, Metro's cable operators would be required to link together to form networks.

The 41-page policy statement stressed that "cable television is intricately bound up in television, deeply rooted into many communities — and potentially the cause of much disruption in the Canadian broadcasting system."

Through its operations, cable television takes programs off the air from locally-licensed stations and distributes them, without payment to the originator of the programs, in a multitude of other areas.

"Every available production in the air is captured and made available, together with the advertising material, which finances these productions, to the public of a given area."

This, in itself, is not objectionable. But it threatens the competitive nature of broadcasting of favoring services which are relevant as possible to the particular community that is served.

Cable television systems use programs which are not payable to the service they provide — but they do contribute to the production cost of these programs.

And cable systems import sometimes up to eight stations not licensed for that area, sometimes not licensed in Canada, and as a result the franchise granted to a conventional broadcaster becomes less and less meaningful.

"Canadian broadcasting should above all strive for excellence and high standards of quality in information, entertainment and enlightenment," the CRTC declared.

"It should provide the widest possible choice. It should be open to world currents and offer to Canadians the full range of ideas and cultural achievements from other countries."

"Services in English and French should be made available as rapidly as possible to all Canadians," it added.

To meet these objectives, the CRTC policy will require that cable television systems provide a channel for educational television when requested by provincial educational authorities, and a channel for community programming.

Then, in order of priority, they must provide:

All local Canadian television stations whose official grade A contour (those that can be picked up with indoor antennas) encloses any part of the licensed area of the cable system.

All regional stations whose official grade B contour (those that can be picked up with conventional outdoor antennas) encloses any part of the licensed area of the cable system.

However, if it is a private affiliate forming part of the same Canadian network as a local station, it does not have to be carried by the cable system.

Any distant Canadian station whose official grade B contour does not enclose any part of the cable system's licensed area, which is not affiliated to the same Canadian network as a local or regional station, and where reception is economically practical and technically feasible.

Other "optional" stations may be carried if all the above basic services are provided for.

On the question of purchasing of programs by cable systems from conventional broadcasters, the commission stressed that while cable operators may argue they are really only selling a sophisticated antenna service, the subscribers are buying programs, not antennas.

"Simply stated . . . television stations are the suppliers and cable television systems are the users," the commission stated.

The principle involved is that one should pay for what he uses to operate his business.

It goes on to warn that if cable system operators are not prepared to pay for programs they might soon find their operations limited due to copyright, and notes the Economic Council of Canada has recommended changes of the copyright law that would cover this situation.

In what it calls "a suggestion" the commission says cable systems should pay a certain percentage of gross revenues annually to buy Canadian broadcast programs.

It says a formula might be derived whereby payment would be based on gross revenue per mile of cable, that is on the ability of the cable system to finance such payment.

The commission estimates that had such a system been in effect in 1970 payments to conventional broadcasters might have totaled about \$2 million.

Because of the rapid growth of cable, possibly more than twice that amount could be spent in the first year of operation, beginning September 1, 1971.

And the amount would quickly grow in future years.

The commission suggests that programs purchased from local stations and the networks for replay might retain commercials which they contained when played over the air.

The additional exposure these programs received would then make them more attractive to advertisers.

And the program selected by cable television systems for exclusive play or replay would be an attractive supplement to cable television service and could attract new subscribers and more revenue.

The commission also announced a policy to prevent program duplication.

When an identical program is carried on more than one channel of a cable television system during the same time period, the station having the higher priority may require the cable system to delete transmission of any lower priority of optional station's during that period.

The commission also announced it will permit removal of commercials in signals received from non-Canadian stations.

The policy will affect Buffalo stations received in the Metro area.

The cable television companies will not be permitted to sell replacement commercials themselves, but they will be encouraged to make contract arrangements with Canadian television stations in their areas to insert replacement signals carrying commercials sold by the Canadian station.

The commission announced it would adopt a five-year licensing period for cable systems to give them more security and to help them raise financing. It would also permit establishment of networks by cable companies that could have the effect of carrying programming right across Canada.

The commission will authorize cable television systems to carry distant stations using microwave or other electronic communications, but it adds the number of such stations received will be limited by high costs involved.

The number of channels carrying signals from commercial stations not licensed by the commission (non-Canadian) will be limited to three. Fewer stations might be authorized if the commission feels it would endanger local television service.

The commission will establish definite boundaries to determine the area of service of each cable television system.

Extension of service from one licensed area to another will be permitted only if an overlap of adjacent systems is deemed to be in the public interest.

Many apartment buildings are not connected to licensed cable television systems, the commission noted. The commission said it is investigating various ways to enable residents of multiple dwellings to obtain cable service.

The development of a Canadian program industry, both to serve Canadians and for export, is considered of prime importance, the commission stated.

As a first step in pursuing this goal, the commission will recommend to the Government that the Canadian Film Development Corporation extend its support to that of broadcast television programs.

CTV's boss welcomes ruling but cable men fear higher rates

Special to The Star

Murray Chermoyer, president of the CTV television network, said last night he is in "wholehearted agreement" with the Canadian Radio-Television Commission's ruling that cable TV operators must pay for the Canadian programs they carry.

But Chermoyer said he had studied the CRTC's ruling and did not know how it would be implemented.

He said he plans to meet with CTV shareholders and member stations to work out a possible approach to negotiations with the cable operators, hoping to work out a collective proposal for stations and cable companies.

A spokesman for the Canadian Broadcasting Corporation said the CBC was not surprised by the CRTC ruling, but had made no plans to act on it.

OVERCONCERN SEEN

John O. Graham, chairman of the Greater Toronto Cable Television Association, while emphasizing he didn't read the CRTC policy statement in detail, said it seemed to indicate "overconcern with the well-being of television stations in the country to the extent that cable television subscribers are being asked indirectly to subsidize their existence."

Robert Short, president of the Canadian Cable Television Association, said his group is looking forward to working with the broadcasters about the CRTC ruling, which left details to be worked out between the two groups.

"Nobody minds buying nothing if you have a say in the matter and get some use from it," he said.

Ted Jarmain, chairman of the Canadian Television Association, said "There is much in this policy statement we commend... we hope that when this new policy is finally shaped, the 5,000,000 Canadians now viewing television by cable and the several hundred cable operators across Canada will find it possible to support it and help make it work."

LARGEST COMPANY

Barrie Adams, general counsel of National Cablevision Ltd., the largest cable television company in British Columbia, said he is encouraged by new regulations.

"The CRTC has recognized the desire of Canadians to enjoy the diversity that cable TV brings them and has rejected the idea of restricting the transmission of American channels," Adams said.

He said it is too early to tell if payments to television stations will mean an increase in costs to cable subscribers. It will be several months, he said, before a method of payment is worked out between broadcasters and cable system operators.

A. E. Dworkin, general manager of North West Community Video Ltd., also in Vancouver, said he doesn't think the new regulations will affect his company in any way. He is waiting to hear more details

about payments to Canadian broadcasters, he said, to see if it will include payments to the government-owned CBC.

"I can't see," he said, "why the Canadian people should have to pay twice for the privilege of viewing the CBC."

The new rulings have renewed tensions in a jurisdictional dispute between the

Quebec government and Ottawa. Quebec Communications Minister Jean-Paul L'Allier said in a statement.

The federal government had allowed the commission to take unilateral action in the cable field, which the province claims is under its own jurisdiction.

Negotiations have been under way between the federal government and Quebec

over the general question of jurisdiction in communications.

L'Allier said Quebec was not consulted before the CRTC ruling was handed down, but he emphasized that he feels the latest Ottawa move will not damage the province's attempt to wrest control in the cable field from the federal government.

Gérard Pelletier répond à Québec

Les décisions du CRTC ne présument pas l'issue des négociations en cours

OTTAWA (Le Devoir) — Le secrétaire d'Etat, M. Gérard Pelletier, a affirmé hier qu'il ne s'était jamais engagé, au nom du gouvernement fédéral, à différer la publication de l'énoncé politique du CRTC sur la télévision par câble le temps que duraient les consultations à ce sujet entre le gouvernement central et les provinces, et que cet énoncé ne présume pas l'issue des négociations en cours.

Parlant de cet énoncé que le Conseil de la radio-télévision canadienne avait diffusé vendredi après-midi, le premier ministre du Québec, M. Robert Bourassa, avait déclaré dimanche qu'il avait été étonné de voir qu'on avait pris des décisions de cette importance alors même que Québec et Ottawa se livraient à des discussions à ce propos. "Nous avions, a-t-il ajouté, l'impression qu'en attendant, on ne ferait aucune déclaration politique du genre."

Il semble en effet que dans les cercles politiques de Québec, on ait interprété certains des plus récents entretiens entre M. Pelletier et le ministre québécois des communications, M. Jean-Paul L'Allier, comme signifiant qu'Ottawa, sans intervenir dans les fonctions régulatrices du CRTC, allait faire en sorte que le Conseil suspendit ses déclarations politiques.

"On ne peut interrompre le travail du CRTC, a déclaré M. Pelletier en commentant les propos de M. Bourassa, et le Conseil est requis de s'acquitter de sa tâche en vertu de la loi sur la radiodiffusion." Jamais, a-t-il ajouté, le gouvernement fédéral n'a proposé de suspendre l'activité du CRTC; ce dernier, d'ailleurs, "est assailli de pressions de la part des exploitants de câble". M. Pelletier a encore déclaré qu'on avait "manifestement mal compris" la situation.

Rappelons que le CRTC a très nettement établi pour la première fois, dans le document qu'il a publié vendredi, le principe selon lequel il considérerait désormais les câblodiffuseurs non pas comme de simples fournisseurs de services d'antenne, mais bien comme des "vendeurs d'émissions". Le Conseil a également annoncé l'adoption de diverses mesures visant à l'intégration de la câblodiffusion dans le monde général de la radiodiffusion, notamment celle qui prévoit le paiement de droits, par les gens de câble, aux postes de télévision.

Cette attitude contredit partiellement celle que soutient le ministère des communications du Québec depuis plusieurs mois déjà: le Québec, qui a annoncé son irréversible intention de confier la surveillance de la câblodiffusion québécoise à sa Régie des services publics, consi-

dère davantage cette industrie comme un service technique de vaste envergure.

Au sujet des discussions qu'il poursuit, a-t-il dit, avec non seulement le Québec, mais aussi l'Ontario et l'Alberta, M. Pelletier a déclaré que l'énoncé politique du CRTC ne les compromettrait aucunement.

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CRTC 'can't be stopped'

Secret cable policy wasn't pledge

OTTAWA — (CP) — State secretary Gerard Pelletier yesterday that the federal government made no commitment to withhold an announcement of cable television policy consultations were underway with the provinces.

The Canadian Radio-Television Commission can't be "stopped," he said in a telephone interview. "It has to discharge its responsibility under the Broadcasting Act."

WAS SURPRISED

The minister was commenting on remarks by Quebec premier Robert Bourassa on Montreal radio station CJAD today expressing surprise that the CRTC had announced new cable policy last Friday.

Bourassa said: "I am surprised to hear that such an important policy decision has been issued since discussions on the subject between Quebec and Ottawa are underway."

Pelletier said this was obviously a misunderstanding. "The government had not intended to 'suspend the activities of the CRTC which is pressed from all sides by the cable operators.'"

The state secretary said he has been saying publicly for some time that cable must be

integrated into the Canadian broadcasting system. This also has been the aim of the CRTC in developing cable policy.

Pelletier said the CRTC announcement does not damage talks with Quebec, Alberta and

Ontario on political problems related to jurisdiction over cable.

As long as the Broadcasting Act was not modified, the CRTC had to continue regulating cable.

He said he would not comment on a statement by Quebec Communications Minister Jean-Paul L'Allier that the latest CRTC announcement would not destroy the province's attempt to take control of cable from the federal government.

CTV boss plans talks with cable companies

Special to The Star

Murray Chercover, president of the CTV television network, said Friday night he was in "wholehearted agreement" with the Canadian Radio-Television Commission's ruling that cable TV operators must pay for the Canadian programs they carry.

But Chercover said he had not studied the CRTC's ruling and did not know how it would be implemented.

He said he plans to meet with CTV shareholders and member stations to work out a possible approach to negotiations with the cable operators, hoping to work out a collective proposal for stations and cable companies.

A spokesman for the Canadian Broadcasting Corporation said the CBC was not surprised by the CRTC ruling, but had made no plans to act on it.

John O. Graham, chairman of the Greater Toronto Cable Television Association, while emphasizing he hadn't read the CRTC policy statement in detail, said it seemed to indicate "over-concern with the well-being of television stations in the country to the extent that cable television subscribers are being asked indirectly to subsidize their existence."

Robert Short, president of

the Canadian Cable Television Association, said his group is looking forward to talking with the broadcasters about the CRTC ruling, which left details to be worked out between the two groups.

The new rulings have renewed tensions in a jurisdictional dispute between the Quebec government and Ottawa, Quebec Communications Minister Jean-Paul L'Allier said in a statement.

The federal government had allowed the commission to take unilateral action in the cable field which the province claims is under its own jurisdiction.

Negotiations have been under way between the federal government and Quebec over the general question of jurisdiction in communications.

Some parts of the new grand plan for Canadian cable TV should cause no trouble at all. But some parts will cause an awful stink. And hold your nose, because the part that should get here first is no rose.

While nothing in Friday's ponderous directive from the Canadian Radio-Television Commission is going to manifest itself overnight—because nobody's set up for it—you can expect the first deals consummated will be to substitute Canadian commercials for American ones, in the U.S. signals on cable here.

This will involve individual Canadian stations and the cable systems in their home towns. And since the stations see a chance to cash in heavily with this technique, and since the cable owners are under CRTC "encouragement" to co-operate, and since it won't cost the cable people anything because the stations will pay all the cost, negotiations could start any time.

But once the first deal has been worked out, and been approved by the CRTC, and the equipment has been put in—once that first Canadian broadcaster has stuck his first bonus commercial into a prime program that belongs to a U.S. station—watch for fireworks.

MAY DRAG OUT FOR YEARS

The Americans almost certainly will fight in court, taking it all the way up the legal ladder and maybe dragging the thing out for years—not so much for what this could cost them now, but rather for what it promises to cost them in the long run.

The CRTC has handed TV stations here the right to sell not only their own programs but those of all their U.S. competitors as well. And if CFTO for instance, can run commercials on cable in the programs of Channels 2, 4 and 7, theoretically it could mint so much gold it would be able to fill its own Channel 9 with almost total Canadian content (and, if only as a point of pride, sell that, too).

The catch lies in what this could do eventually to the established pattern of bringing U.S. shows to Canada.

CTV buys Marcus Welby, for instance, because it can get it cheap and sell it at a big buck to national sponsors. But if the CTV stations, individually, could get the same show without paying at all—with it coming in as free as the air on the handiest U.S. channel—then their profit margin would be that much bigger.

Since this sort of thing would apply only on cable, it wouldn't threaten national sales until cable got into most of the country's homes—and right now it's in only about one of every four. But it takes no special perception to see both the size and the color of the cloud that hopped onto the horizon with last Friday's announcement.

There looms now the clear chance that someday, when cable is a more common household amenity, Canadian TV won't have to buy any programs from Hollywood any more because it will have them available free—and that will mean the loss of a national market here for the Hollywood studios, and the loss of extra talent fees for all the actors and playwrights involved, too.

The legal basis for this will be laid when that first substitution is made and since any threat, if it's to be nipped at all, is most easily nipped in the bud, look for the Americans to pull their biggest legal guns then.

Likely the fight won't be led by the border stations that will feel the most immediate impact. They've been cashing in on their spill-over Canadian audiences for years and they've always known they didn't really have a right to it. The ones in Buffalo are only a mild example. They pick up maybe 15 per cent of their gross revenue from ads sold here. But the tiny border stations which have been enjoying a pirate feast on Canadian cities have known for years it couldn't last.

There's little KVOS-TV in Bellingham, Washington, for instance, which is a big and wealthy operation despite having only 43,000 U.S. homes in its prime coverage area. Why rich? Because it has 1,500,000 viewers and its main sales office is in nearby Vancouver.

There's KCND-TV in Pembina, North Dakota, which

does well on its 18,000 U.S. homes plus the incidental 830,000 Canadians it reaches around Winnipeg.

There's WPTZ-TV in Plattsburgh, New York, with 45,000 U.S. homes in its prime reach, and a handy extra 3,500,000 Canadians around Montreal to make it a good buy—especially for Canadian advertisers.

These are the drains on Canadian money that the CRTC is trying to plug for the TV industry here.

But if, in the process, it reverses the pattern of U.S. programs sales in Canada and does the Hollywood industry out of the bundle it's been collecting for its output here, it would be naive to expect that bunch to take it lying down.

Certainly the CRTC legal staff gave all this a hard look before deciding their rules would stand up in court. But copyright is such a hazy field that no one ever knows for certain how a tricky case will come out.

In this context, the most fascinating phrase in Friday's document becomes the zinger the CRTC directed at the cable operators, for the way they had gone on for years making a profit by peddling the signals of Canadian TV stations.

"One should pay for what he uses to operate his business," was the wording.

The phrase has a ghostly ring—could do its own share of haunting, some day.

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Users of cable TV may have to pay more for service

Hamiltonians who watch television on a cable TV system may find themselves paying higher rates for the service following yesterday's decision by the Canadian Radio-Television Commission, a city cable operator warned today.

"They are going to object to it and I don't blame them," said Russ Reinke, owner of Northgate Cable TV Ltd.

The ACRTC announced yesterday that cable operators will have to pay Canadian broadcasting stations for the programs they carry as a

means of protecting the television industry.

But Senator Bibby, general manager of CHCH-TV said he was "very upset and disappointed" by the news.

"I can see how any who just got started had to put out a big capital outlay. I think this is very unfair," Mr. Reinke said.

"BUT THE politicians have got it into their heads that cable television is something more glorified than it is. The concept basically is merely to deliver a stronger signal for viewers and perhaps a few extra channels they would not be able to bring in."

George Smith, manager of Maclean-Hunter Cable TV's Hamilton office said: "I don't think you will find any cable TV operator clapping his hands over this."

"IT'S HARD enough to make a dollar as it is without somebody arbitrarily taking it away from you. There is going to have to be something worked out to generate more revenue."

Mr. Smith said he was surprised by the decision, even though the idea was circulated in a government White Paper. But he did not think the final decision would go so far in favor of the broadcasting stations.

"I don't think the broadcasting stations are going down the drain and I think there are other ways to protect them."

CABLE TV operations in Hamilton have not hurt Channel 11 yet, Mr. Bibby said, but there was the danger of problems in the future.

"As you look ahead five years, you could get into a situation where there is cable saturation and it could have an adverse affect on our audience," he explained.

"With more and more stations being carried by cable, you would have what we call fragmentation of audience."

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Réaction mitigée de l'Association canadienne de la télévision par câble

Les exploitants des entreprises de câblodiffusion que la réglementation émise par le CRTC obligera à verser une contribution aux stations de télévision dont ils empruntent les émissions croient pouvoir en arriver à des ententes avec les radiodiffuseurs.

Dans une interview accordée sitôt après l'annonce de la réglementation, M. Robert Short, président de l'Association canadienne de la télévision par câble, a déclaré que la politique du CRTC était sévère, mais qu'elle laissait la porte ouverte aux négociations entre les représentants des industries du câble d'une part, et les radiodiffuseurs d'autre part.

M. Short a ajouté que l'indus-

trie du câble devait dans bien des cas, être considérée comme productrice et qu'il espérait que ces productions pourraient être comprises parmi les émissions susceptibles d'être achetées par les entreprises de câblodiffusion.

Pour leur part, les représentants de l'Association canadienne des radiodiffuseurs n'ont pas fait de commentaires à la suite de la publication de la réglementation du CRTC.

Pourquoi le "câble" devra payer un droit aux radio-diffuseurs

Le Conseil de la radio-télévision canadienne a publié le 16 juillet son énoncé de principes sur la télévision par câble, sous le titre: la radiodiffusion canadienne: "un système unique". Voici un extrait de ce document expliquant pourquoi le câble devra payer un droit aux radio-diffuseurs.

Les systèmes de télévision par câble dépendent des stations de télévision pour bien des services. Bien sûr, ce sont les stations de télévision qui produisent les émissions, mais ce sont elles aussi qui élaborent un ensemble de programmation qui saura capter l'auditoire, ce sont elles aussi qui font la publicité qui attirera l'attention de l'auditoire sur cet ensemble de programmation. Evidemment, c'est l'intérêt que suscite cette programmation qui permet au système de télévision par câble de gagner des abonnés à ses services.

En outre, les stations de télévision assurent d'autres conditions favorables pour l'exploitant de l'entreprise de câble. Elles acheminent les signaux jusqu'au site de réception ou de distribution du système. Non seulement acheminent-elles les signaux, mais, à partir d'un film optique par exemple, qu'elles transforment en ondes électromagnétiques de fréquence radio, un signal immédiatement utilisable par le système de câble, sans conversion majeure. Ce sont là des économies importantes pour l'exploitant d'un système de câble. De fait, sans ces services, aucune entreprise de télévision par câble n'aurait de chance de survivre au Canada ou ailleurs.

En mots plus simples, le rapport fondamental est le suivant: les stations de té-

lvision sont les fournisseurs et les systèmes de télévision par câble sont les usagers.

Le principe fondamental en jeu ici est le suivant: chacun doit payer pour ce qu'il obtient dans l'exploitation de son entreprise. Même s'il n'en résultait aucun dommage, ou si les systèmes de télévision par câble augmentaient les bénéfices des stations de télévision, ce principe vaudrait encore. Par exemple, certaines pièces de musique voient leur popularité augmenter par le fait de leur diffusion à la radio - mais non seulement les stations ne reçoivent rien pour cette diffusion, elles doivent payer pour l'usage qu'elles font de cette musique.

Le Conseil doit donc rattacher le principe fondamental d'une compensation pour les services rendus et pour l'usage qu'en fait, à la prise de conscience d'un fait bien concret selon lequel les stations de télévision seront incapables à longue échéance, d'assurer, sans compensation, les nombreux services dont dépendent les systèmes de télévision par câble.

Cependant, il ne s'agit pas simplement de la nécessité d'un transfert de fonds. Les sommes versées par les systèmes de câble devraient servir à seconder les radiodiffuseurs dans la tâche qui leur incombe de satisfaire aux besoins toujours croissants du public pour des émissions canadiennes de haute qualité.

Toute méthode de rémunération devra servir à renforcer la radiodiffusion en augmentant la valeur du système, et alors, tous ceux qui contribuent à de tels programmes devraient pouvoir participer à leur succès: ce système créera les stimulants qui sont nécessaires à la production des programmes les plus valables.

Le CRTC entre le câble et la télévision

Rendues publiques vendredi dernier dans un climat de hâte qui n'en favorisait guère l'examen approfondi, les nouvelles directives du Conseil de la radio-télévision canadienne au sujet de la télévision par câble risquent de compliquer, plutôt que de résoudre, les problèmes auxquelles prétendent apporter des solutions.

Sous prétexte que le câble sert surtout présentement à la transmission de signaux de télévision, le CRTC parle de ce moyen de transmission comme s'il relevait entièrement de sa compétence: il commet de ce fait une pétition de principe inadmissible. Soucieux de régler des problèmes concrets de coordination qui requièrent des solutions urgentes, il propose, d'autre part, des remèdes qui demeurent très obscurs et risquent de donner naissance à des difficultés innombrables au chapitre de l'application.

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Tout le document du CRTC repose sur le postulat voulant que la diffusion par câble fasse partie intégrante du "système unique" de radiodiffusion sur lequel la loi fédérale de 1968 lui a donné une large autorité. "Lorsque le CRTC parle d'intégrer la télévision par câble au système de radiodiffusion, déclare le document, il ne fait donc que développer la politique adoptée antérieurement par le Parlement".

Partant de ce postulat, le CRTC s'arroe sur les entreprises de câble une autorité très étendue portant autant sur l'émission des permis que sur la programmation et les aspects financiers.

Qu'il existe surtout à ce stade-ci du développement des communications, des liens évidents d'interdépendance entre le câble et la télévision par ondes, c'est l'évidence même. Il est donc normal que le CRTC ait voulu examiner de plus près les liens existants entre câble et télévision aérienne, et qu'il ait songé à des mesures visant à protéger le système canadien de radiodiffusion.

Mais la diffusion d'émissions de télévision produites par les stations classiques n'est qu'un aspect de l'apport possible du câble à la vie communautaire. Le câble sert surtout pour le moment à doubler ou à prolonger la télévision classique. Il sera appelé demain à jouer, dans les domaines de l'information, de l'économie, de la vie culturelle, de l'activité communautaire, des rôles beaucoup plus diversifiés.

Le câble, conçu dans sa nature même et à travers l'éventail très large de ses fonctions éventuelles, relève-t-il au premier chef et en totalité d'un organisme fédéral comme le CRTC? Celui-ci peut-il prendre prétexte des liens existant entre le câble et la télévision pour parler comme s'il était appelé à régir tous les aspects du développement éventuel de la diffusion par câble?

Le CRTC parle comme si ces questions étaient réglées. Il oublie trop facilement que le seul article de la loi de 1968 qui lui donne autorité en cette matière est vraisemblablement l'article 3, où il est question "d'entreprises de réception de diffusion": on cherche en vain, dans cette loi, toute autre mention le moins explicitement du câble, ce qui explique probablement que le CRTC invoque toujours l'autorité de la loi en termes on ne peut plus enveloppés et généraux.

Il faut voir la question du câble dans la perspective plus large de tout le problème des communications à l'intérieur d'une société. Vu dans cette perspective, le câble ne fait pas que présenter un intérêt certain pour le Québec: il y a même des raisons très sérieuses de soutenir qu'il doit relever de l'Etat québécois plutôt que de l'Etat fédéral.

Il eût été capital que le document du CRTC soulignât clairement cette distinction. Sauf une très vague référence introductoire à des consultations entreprises par Ottawa avec les provinces "sur les conclusions du rapport de la Télécommission", on ne trouve malheureusement, dans le texte du CRTC, aucune réserve de cette sorte. L'autorité fédérale a été la première à occuper ce champ nouveau: elle en parle désormais comme si ce fait lui conférerait un droit prépondérant et plénier sur l'ensemble du secteur.

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Indépendamment des problèmes à long terme, le CRTC devait proposer des solutions à des problèmes urgents d'intégration qui se posent d'ores et déjà entre le câble et la télévision.

L'utilisation que le câble fait présentement d'émissions produites par des stations de télévision est une véritable piraterie. Le développement désordonné du câble pourrait, d'autre part, entraîner une fragmentation des auditoires et des revenus commerciaux susceptibles de compromettre l'avenir du système classique de radio-télévision.

L'Association canadienne de la télévision par câble, s'appuyant sur le soi-disant droit des abonnés, refusait à cet égard toute idée de versement d'un droit quelconque aux producteurs des émissions; elle réclamait, pour son développement, une liberté à peu près totale. L'Association canadienne des radiodiffuseurs, pour sa part, ne demandait rien de moins que l'annexion à peine déguisée des entreprises de câblodiffusion aux entreprises de télévision par ondes.

Ni l'une ni l'autre de ces positions n'était acceptable. Le libéralisme préconisé par les porte-parole de l'industrie du câble reposait sur des sophismes grossiers méconnaissant gravement les droits des producteurs. L'annexion souhaitée par les radiodiffuseurs devait être rejetée au nom

même de cette vocation beaucoup plus large du câble dont il a été question plus haut.

Jouant les Salomon, le CRTC prescrit que les entreprises de câble devront payer des redevances pour les émissions qu'elles empruntent aux stations de télévision. Il accorde aussi à ces dernières un monopole sur les revenus de la réclame commerciale.

Le principe de la redevance est juste: chacun doit payer pour les éléments dont il se sert afin de mettre un produit sur le marché. Il semble toutefois qu'en pratique, l'application de cette décision doive donner lieu à des difficultés considérables. Sur quelle base établir de telles redevances? Comment tenir compte des mille et un facteurs qui devront être retenus? "Cette formule, déclaraient en avril les radiodiffuseurs devant le CRTC, est pour nous la plus compliquée, la plus difficile à administrer, la moins désirable et la moins pratique de toutes pour les intéressés". Les entreprises de câble avaient fait valoir, quant à elles, combien peu une telle mesure se justifie en fonction du degré actuel de développement économique de chaque secteur. Le CRTC est conscient de ces difficultés. Aussi a-t-il laissé aux parties intéressées le soin d'établir par voie de négociation les bases d'un accord. On doute qu'un tel accord puisse se réaliser à brève échéance.

Quant à la réclame commerciale, le CRTC n'a pas justifié l'interdiction qu'il adresse à cet égard aux entreprises de câble. Il existe de nombreux types de réclame qui pourraient très bien convenir à ce médium. Pourquoi réserver d'autorité au médium déjà le plus choyé la totalité du gâteau? Ce qui fait défaut, dans le document du CRTC, c'est un examen approfondi de la nature du câble et de la place qu'il doit occuper au sein de la communauté. Une étude plus sérieuse eût conduit le CRTC à formuler à cet égard des recommandations importantes non seulement au chapitre de la programmation et de la réclame commerciale mais aussi au chapitre de la propriété et du statut juridique. Cette perspective est malheureusement absente dans le document du CRTC.

Le CRTC avait le devoir d'intervenir afin de régler certains problèmes urgents. Le document publié vendredi est cependant décevant. Il suppose réglées des questions de fond qui ne le sont pas. Au chapitre des questions qui relèvent immédiatement de sa compétence, le CRTC cherche à trancher la poire en deux d'une façon qui risque de ne satisfaire ni les dirigeants de l'industrie du câble, ni ceux des entreprises de télévision. La décision du CRTC aurait gagné à rester plus longtemps sur le métier.

Claude RYAN

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Ending the Free Ride For Cable TV

A licence to operate a cable television system can in some places seem akin to a licence to print money. The operator needs to pay for only the technical equipment; his "raw material" — the programs taken from television stations — cost nothing. It is as though General Motors got free the steel it needs to make cars; or if a movie producer had only to buy cameras and rent a hall, and then got all his actors to work for nothing.

Not that cable television is without value, a leech on the broadcasting industry in Canada. It has helped bring a variety of programs into Canadian homes, made us more selective about what we will watch and thus indirectly been a spur to better programming. It has been an indispensable aid to educational television. Its community channels have filled a gap in broadcasting information.

But there is no doubt that cable TV has brought hardship to local broadcasters, fragmenting their audiences and thus reducing advertising revenue. The major question to be asked about the Canadian Radio-Television Commission's decision last week to make cable TV pay for the programs it transmits is why such a step wasn't taken long ago.

But the CRTC should not just stand by and let cable operators and TV station owners negotiate terms of payment. New money derived from cable should not be simply a transfer of funds from one private pocket to another. The CRTC should develop some method of channelling some of this money to the CBC or perhaps into a general fund to improve programming standards of all Canadian television.

Early this year a general policy statement said the CRTC hoped to . . .

" . . . develop a policy which would integrate cable television into the Canadian broadcasting system, avoid disrupting the system, enhance the capacity of the system to produce programs, and finally to permit a vigorous development of cable television and of the whole Canadian broadcasting system."

The decision to make cable TV help pay the cost of reaching that goal is a start — but only just that.

CRTC RULES ON CABLE TV

Chinked armor for our broadcasting

The Canadian Radio and Television Commission's design to save Canadian broadcasting from the potentially disastrous effects of the cable television invasion offers something less than an impenetrable defence.

A defence is needed, for in some parts of the country which are barely supporting only one or two stations now, cable would bring in three new American networks, fragmenting the audience into so many pieces that no one existing station would be able to survive on its advertising revenue.

The CRTC has now rejected its earlier ideas about "blacking out" American programs that compete with those on Canadian channels, or of limiting cable operators to only two U.S. channels; it has even authorized cable operators to carry up to three U.S. networks by microwave to areas hitherto beyond the range of U.S. signals. In this it is simply bowing to the public's desire for maximum choice.

But the commission, beyond establishing priority rules that ensure cable carries available Canadian, educational and community programming channels before transmitting American channels, has proposed three main steps to brace Canadian broadcasters for the competition.

First is the requirement that large cable systems, which have been plucking signals out of the air for free, must pay Canadian broadcasters for their programs. The CRTC has left details of this up to the parties to negotiate, but the commission has suggested a method that would have yielded Canadian broadcasting about \$2,000,000 last year and would provide possibly \$4,000,000 in the year beginning September 1, 1972.

This amount, however, seems inadequate. After the performers' unions secure their piece of such "syndicated" action, what's left will be divided among all the private stations, and each will receive only a small piece of a small pie. Yet some private stations are already in tight financial straits.

The CRTC also suggests that Ottawa amend the Income Tax Act so that Canadian advertising placed

on American stations be no longer tax-deductible. This proposal merits immediate enactment. It could divert back to Canadian broadcasters much of the \$15 million spent annually by Canadian advertisers on American stations, some of which exist almost solely to beam signals across the border to us. (U.S. retaliation would cost much of the revenue of the Windsor television station.) But it does nothing for stations distant from the U.S. border. These stations are losing no ad revenues now to Americans but will certainly be hurt if heretofore unavailable American networks are piped in by microwave and cable.

The final major piece in the CRTC design is permission for Canadian broadcasters to replace cabled American ads with Canadian ads, to recoup the loss produced by cable TV's fragmentation of their audiences. This might work fine in Calgary, where American signals seldom penetrate, but what happens when it's tried in Toronto? American stations and networks would become just as incensed at Canadian stations profiting at no expense from their programs as broadcasters are at cable companies pirating broadcast signals.

If Americans retaliated by refusing to sell programs to Canadian broadcasters, Canadian networks would probably give in. Anyway, Canadian broadcasting surely can live without unethically pirating the benefits of American shows.

The answer to this dilemma may lie in CRTC recognition that cable has widely differing effects in border areas where it adds little extra fragmentation, and in those not within reach of U.S. broadcast signals. Different rules for the two cases may be required.

Another question mark hovers over the role of community broadcasting in cable's future. Paying money to conventional broadcasters, cable men will have less cash for and feel less obligation to community programs. Access to cable for such programs is assured under the new regulations but what sort of programs will they be? Endless amateur nights would be a futile way to fill the gap that now exists in local news and public affairs broadcasting. A pooling of resources by cable broadcasters, or a tie-in with professional news-gathering sources—plus some direct cable advertising—may be necessary.

The CRTC has tried manfully to cope with an extremely complex problem, one rooted in the fact that many Canadian centres are too small to afford, under the present set-up, high quality programming and a wide variety of choice. The solution remains uncertain.

La très grande majorité des entreprises de câblodiffusion du Québec accueillent sans protestations les décisions que le CRTC a prises. À leur sujet pour le simple motif qu'elles ne les touchent pas, selon ce qu'a déclaré hier soir au Devoir le vice-président pour le Québec de l'Association canadienne de télévision par câble, M. Omer Girard.

M. Girard, qui est président de la société Trans Vision Magog et qui exploite plusieurs entreprises de câblodiffusion dans les Cantons de la Côte, rappelle que les principales mesures annoncées par le CRTC dans l'écrit politique diffusé vendredi dernier ne s'appliquent qu'aux câblodiffuseurs qui ont 3.000 abonnés ou plus. Au Québec, ajoute-t-il, les entreprises de cette importance ne sont qu'une dizaine sur environ 160: ce sont celles de Mon-

tréal, de Québec, de Sherbrooke, de Trois-Rivières, du Cap-de-la-Madeleine, de Shawinigan, de Victoriaville, de Gatineau et de Thetford Mines.

"Les autres", poursuit M. Girard, "estiment que les mesures du CRTC ont du bon, parce qu'elles leur laissent une marge de manoeuvre". Pour ce qui est des principales entreprises, il semble qu'elles ne s'élèvent pas contre le principal principe énoncé dans le document du Conseil, celui selon lequel les systèmes de câble devront désormais verser des droits aux entreprises de radiodiffusion. Mais comme aucune formule d'indemnisation n'a encore été négociée, cette satisfaction reste soumise au mode d'application du principe et à la mesure des paiements à effectuer.

M. Girard n'écarte pas la possibilité que cet accroissement des frais d'exploitation, au niveau du câble, se

traduise éventuellement par une augmentation des tarifs mensuels de la câblodiffusion, d'autant moins que ces mêmes tarifs, dont la valeur moyenne oscille autour de \$5 au pays, n'ont pas augmenté d'un cent depuis l'avènement du CRTC, en 1968.

Les exploitants de câble même les plus gros ne trouvent guère à redire de cette autre mesure par laquelle le CRTC a autorisé certains types de stations de télévision à interdire aux câblodiffuseurs la duplication de leurs émissions sur d'autres canaux. "Cette suppression, déclare le vice-président de l'ACTC, n'enlève rien ni aux entreprises de câble, ni à leurs clients. C'est une façon de procéder qu'on utilise depuis quelques années déjà aux États-Unis. Il existe de l'équipement automatique qui s'acquitte de cette fonction conformément à un programme hebdomadaire déterminé par un mécanisme à horloge. Ce n'est qu'un embêtement minuscule".

Pour ce qui est de la suppression des messages commerciaux qui accompagnent les émissions des postes américains rediffusés par les systèmes de câble, suppression à laquelle le CRTC se déclare pour la première fois favorable et à laquelle il invite effectivement les câblodiffuseurs sans les y contraindre, M. Girard déclare que les radiodiffuseurs, en l'occurrence, auraient à assurer le coût de l'équipement nécessaire au niveau du câble, mais que même là, on peut douter que les câblodiffuseurs s'y livrent volontiers, étant donné le travail considérable que ce traitement exigerait. D'autant plus, ajoute M. Girard, que la mesure est facultative.

Les câblodiffuseurs, d'autre part, déplorent que le CRTC ait gardé le silence le plus total, dans son dernier exposé, sur la question des relations entre les exploitants de câble et les sociétés de téléphone, en particulier Bell Canada. On sait qu'au Québec notamment, la société Bell possède et loue 80 pour cent de tout le câble de télévision installé dans le territoire, à des tarifs et selon des contrats que les câblodiffuseurs, souligne M. Girard, ne cessent pas de considérer excessifs.

Enfin les câblodiffuseurs québécois ont éprouvé un certain mécontentement en notant que le CRTC avait une fois de plus différé l'examen du problème des antennes collectives de blocs d'appartements. C'est là, dit M. Girard, l'une des principales réserves que les grands exploitants peuvent exprimer à l'endroit du nouvel énoncé politique du Conseil. A travers le pays, explique-t-il, on estime qu'il est plus de 20.000 blocs ainsi équipés: leurs systèmes particuliers sont analogues à ceux d'un câblodiffuseur, mais le CRTC n'a pas semblé jusqu'ici estimer qu'ils relevaient de sa juridiction. C'est un problème particulièrement grave à Toronto, où on compte 18.000 appartements ainsi équipés: c'est une clientèle soustraite aux services des véritables câblodiffuseurs, mais à laquelle on fournit des services absolument semblables sans se soumettre aux règles souvent restrictives et coûteuses imposées par les organismes publics de surveillance.

for programs

New TV game: guess who cable plan winners

c Baxter

WA — It is going a while to pick out winners and losers from last week's cable policy announcement by the Canadian Radio-television Commission.

A clear winner will be the small army of struggling independent production houses that have shed out a living selling the Canadian television networks.

Under the regulations, as Chairman Pierre Juvenon explained to FP, he expects to see these production houses receive perhaps one percent of all the money the industry is going to have to pay for the use of channels on its systems.

There is one clear loser will be the chain of U.S. border television stations. Many of them are in one-horse towns that normally can't support a radio let alone television station. They are set up almost entirely to serve the Canadian market.

Under the CRTC rules announced last week, not

only would Canadian companies no longer be able to deduct the cost of advertising on these stations from their income tax, but cable companies would also be allowed to delete U.S. commercials on their shows and replace them with Canadian ads.

If the tax change is made — which would mean extending Section 12A of the Income Tax Act to cover television as well as magazines — and the deletions go ahead, many if not most of those stations will lose almost all their Canadian market and will probably go under financially.

It remains to be seen whether this will provoke another blast from the U.S. State Department as happened when Ottawa proposed lifting the same tax privileges from Time magazine and Reader's Digest.

For the remainder of the broadcasting industry, the situation is less clear.

Cable wins and loses.

Its big win — and for some companies this has meant life or death — is that the CRTC has now abandoned its plans to

black out U.S. channels. Providing the cable company puts on the required Canadian stations, it is free to carry all three U.S. networks.

But it is now going to have to pay for what it uses: programs.

"This is just basic good business behavior," Junceau says.

"They aren't selling a service, they are selling programs, and it is right that they should pay something for them."

What the cable industry doesn't yet know is who will pay how much and to whom.

In the policy announcement, the CRTC stated that, under the system it was thinking of, in 1970 the cable companies between them would have paid out \$2 million, and that in 1972 that should have doubled. From then on, the amount is expected to rise very sharply.

"We have a rough formula in mind," Junceau told FP.

"But I don't want to give it out now and have people start fighting over the figures. It is the general idea that matters. Basically, any company with a reasonable number of subscribers should pay. The more mature the system, the more fully amortized its capital equipment, the more it should put up.

"I also hope to see it divided roughly one third to the networks, one third to local private stations, and one third to independent program producers.

"But this is exactly the sort of thing we want the industry to work out for itself. We aren't going to be dogmatic about all this."

Cable companies also stand to make money — in some markets, big money — out of the system of commercial deletions.

Where a local Canadian station wants to provide its commercials to fill the spots on U.S. originated shows, it will be expected to make a deal with the cable company that will make it worth the company's while.

Then, again, when cable companies are requested to remove a U.S. broadcast of a given program and put on the Canadian station's broadcast of the same program (plus Canadian commercials) when both are on simultaneously, the considerable cost involved is to be carried by the cable operator.

Canadian broadcasters can also win and lose. They get the obvious advantage of direct payment for their programs and the potentially more valuable extension of their advertising market to cover all channels on cable.

But for some private stations, the CRTC's enthusiasm to see other private stations' signals imported into their area through cable could be bad news.

All this should begin to sort itself out as soon as the cable companies sit down with the broadcasters to talk terms.

"The sooner the better as far as we are concerned," Junceau says.

"I hope the talks will begin first at the local level between cable companies and broadcasters in their areas. Then I would expect some national negotiations to follow.

"We have our own views on how this should be worked out. But if the industry wants to do it another way — within our general guidelines — that is fine. We will be keeping an eye on developments but I hope we won't have to get involved until near the end of the process.

"But, of course, if the cable companies and the broadcasters aren't getting anywhere, we will step in quickly."

If the State Department keeps out of the act, the whole new system should be operating by September of next year.

Look out, Metro cable owners—here comes John Bassett and he's after your money!

"The way I read these new cable rules, I don't have to wait," he says, flashing his legendary triumphant smile. "I figure to ask the main systems here how much they plan to pay me (by me, he means his CFTO TV) for my Canadian programming, this fall.

"I think we could be into negotiations within four weeks."

That might see Channel 9 skimming the cable cream in time for the start of the new season in September.

Bassett apparently exempts the newer local cable companies, presumably because they don't have any profit yet for him to tap, anyway. But he leaves all the operators on their toes by not spelling out precisely which one he will go after.

SOME SORT OF FEE

Cable systems are obliged to pay local stations some sort of fee for the use of their Canadian programs, under the new Canadian Radio and Television Commission rules unveiled at Ottawa last Friday. It was left to the stations and the cable operators to get together and work out their separate deals and generally nothing was expected to happen for a while.

But this has been a belt-tightening season for the most of the big CTV networks stations and they've been chafing because they had grown used to big profits over the past few years.

It's been fashionable to blame the CRTC for all the stations' troubles. But now Bassett, being a certified optimist, is leaping at this source of new money rather than wasting time complaining the loss of old money.

What's more, he seems to have inspired his fellow CTV station owners to do the same. The directors were all in town yesterday for their most critical meeting of the summer and they finally hammered out an agreement that would keep the network functioning for another year.

For this to work, though, they had to make a deal that main stations would carry a bigger share than ever of the network costs. Now, in Bassett's example, those station owners see a way to offset that extra expense, and cable companies in Vancouver and Ottawa and all the other big stops along the line can look for invitations to start talking with their friendly local broadcasters too.

Meanwhile, there's been a lot of talk about cable charging its customers higher rates because of changes like this.

But CRTC chairman Pierre Juneau emphasized last week—and most sources seemed to have ignored it—that his commission would veto any rate increase that was not justified by some extra service.

If a cable operator starts giving its clientele a couple of extra channels with special programming on them, he'll be able to put his rates up. But if he simply wants to pass along to the customer the cost of subsidizing Canadian stations, he can expect thumbs down from Ottawa.

L'Allier prend M. Pelletier à partie

Le document du CRTC semble contredire la politique du Québec

Le envoyé spécial, Gilles Constantineau

QUEBEC -- "Un obstacle supplémentaire à un règlement pacifique de la situation." C'est par ces mots, et plusieurs autres de la même eau, parfois de sévérité extrême, que le ministre des communications du Québec, M. Paul L'Allier, s'adressant à quelques journalistes qu'il avait convoqués pour faire le tour de la question, a déclaré hier à Québec l'énoncé de politique du Conseil de la radio-télévision canadienne a diffusé à Ottawa vendredi dernier, à propos de la câblodiffusion.

L'Allier perçu ce document comme un document effectivement politique a exhorté M. L'Allier, et un document politique ne peut pas se dissocier des

hommes politique, M. Gérard Pelletier a beau dire que le CRTC est libre et qu'il ne peut freiner son action, il n'en pérorait que le Conseil a obéi à des directives de caractère politique.

Document politique, a précisé le ministre, en ce sens tout particulièrement nistre, en ce sens tout particulièrement qu'il s'est mis, "avec une urgence qui ne s'explique pas", en contradiction avec la politique déclarée du gouvernement québécois en matière de communications et de câblodiffusion.

M. L'Allier a fait allusion à plusieurs extraits de documents connus, notamment son discours du début d'avril aux membres de l'Institut canadien d'éducation des adultes et le "livre vert" que son ministère publiait un mois plus tard, pour rappeler l'un des principes déterminants de cette politique: celui selon lequel le câble doit être considéré comme un moyen de transmission technique de grande envergure, sans qu'il faille l'intégrer aux fonctions de production et de programmation.

C'est justement à la consécration du principe contraire, a ajouté le ministre, que se consacre le dernier document du CRTC. "Un document, a-t-il dit, prématuré, maladroit et incomplet, qui ne propose aucune réponse aux véritables problèmes de production."

Comme il l'avait fait vendredi soir dernier, M. L'Allier s'est dit étonné que le CRTC ait publié cet énoncé "qui traite de questions fondamentales" sans avoir même daigné en informer d'avance le gouvernement québécois, à une époque où tout le monde attendait ("à la mi-juillet d'abord puis à la mi-août") "un calendrier de discussion" que le secrétaire d'Etat Gérard Pelletier était censé proposer, suite à de nombreuses discussions avec les autorités québécoises.

"M. Pelletier, a déclaré le ministre québécois, prétend que le document du CRTC ne préjuge pas des résultats des négociations. Je dirai, moi, qu'il a compromis la chance que nous avions de démontrer que deux paliers de gouvernement pouvaient s'entendre, avec pour objectif la protection des meilleurs intérêts de la population. Ce geste fausse tout le mécanisme des discussions.

"Le CRTC passe par-dessus tous les

organismes provinciaux avec sa politique unitariste; mais les normes nationales ne sont pas nécessairement les meilleures pour tout le monde. Les besoins culturels du Québec ne sont pas ceux de l'Ontario. C'est la philosophie même du CRTC qui vient en conflit avec celle du Québec."

M. L'Allier, qui était accompagné de son sous-ministre, M. Gilles Bergeron, et de deux de ses plus proches conseillers, a déclaré une fois de plus que la Régie des services publics du Québec, qui relève de son ministère, serait appelée par voie législative, "avant la fin de 1971", à assumer la juridiction sur la câblodiffusion québécoise, et que dans les circonstances, il n'était pas sûr qu'on parvint "à éviter la duplication des règlements" ni même la présence d'une double réglementation contradictoire.

Le Québec, a-t-il précisé, n'admet pas, par exemple, le principe sur lequel le CRTC se fonde pour contraindre les câblodiffuseurs à payer des droits aux radiodiffuseurs. "Même si j'habite Sept-Îles, a-t-il déclaré, et même si je suis incapable de capter Radio-Canada, ça n'empêche pas que je paie les mêmes taxes que tout le monde. Pourquoi pénaliser le service qui m'apporte les ondes de Radio-Canada?"

Le sous-ministre Gilles Bergeron a ajouté qu'en matière de communications comme en d'autres domaines, le Québec n'avait pas les mêmes priorités que les autres provinces ou que celles du CRTC. Ainsi, la politique québécoise tend-elle à "minimiser les tarifs du câble", alors que le CRTC vient d'ouvrir la porte à la hausse de l'augmentation.

M. L'Allier a enfin mis ses interlocuteurs en garde contre une interprétation excessive de ses propos: "Je ne veux pas fermer la porte aux discussions", a-t-il affirmé. Sa dernière déclaration, lancée à la cantonade, reprenait pourtant le ton des premières: "C'est un geste très centralisateur", a-t-il dit en guise de mot de la fin, au sujet du document du CRTC.

July 22, 1971
by Roy Shields

JUNEAU BRILLIANT, SAYS TED ROGERS

CRTC
FCC
CHFI-RADIO
CFTR-RADIO

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What everyone wants to know is, will the new cable television regulations work?

The answer is, yes, perhaps far beyond all expectations...

Certainly that is the view of Ted Rogers, owner of Toronto's largest cable system and also owner of radio stations CHFI and CFTR.

"This guy Juneau," said Rogers yesterday, "is brilliant. What he's come up with is a great deal, one we can all live with."

Rogers does not pass such judgement lightly. As a gung-ho thinker and innovator himself, he awaits the new cable regulations with natural trepidation. What he and his cable colleagues were faced for more restrictive regulations. But what they received, he believes, is the best of all possible worlds.

"When you look at the complexity of the problem," said Rogers, "and when you study the alternatives facing the CRTC (Canadian Radio-Television Commission) it is all the more remarkable what Juneau has done."

Juneau is, of course, chairman of the CRTC and the man most responsible for charting the course of all broadcasting in Canada.

Last Friday the CRTC made public its long-awaited policy statement on cable television. That document, which runs to 41 pages, outlined the integration of cable into the overall Canadian broadcasting system.

But instead of spelling out in detail how the new regulations would work, the commission simply pointed the direction which is to be followed and tossed the whole complex matter into the laps of the broadcasters and cable operators to iron out in detail.

Arm-in-arm

The suspicion was that they would be at each other's throats. But that is hardly the impression that Rogers leaves. Instead, he feels the conventional broadcasters and the cable owners face the proposed regulations arm-in-arm. One is almost tempted to say thick is thieves because that's what it's all about — money.

Since the philosophy and theory of the proposed regulations are already well known, let's take a look at one small area of them from Rogers' view.

He chose as an example one of U.S. television's most American programs seen in Canada — The BI.

Instead of restricting such a program from Canadian viewers, he says, the CRTC regulations make it possible for broadcasters and cable owners to cash in on it as never before, using the extra revenue thereby generated to be diverted to the production of Canadian programs.

Let us say, suggests Rogers, that The BI is seen on Toronto's Channel 9 on Thursday and Buffalo's Channel 7 on Sunday.

At present, it is shown on Channel 9 with Canadian commercials, and on Channel 7 with American commercials, or Canadian commercials sold to the Buffalo station.

But now, says Rogers, it will be perfectly feasible for Channel 9 to show The BI on Thursday with Canadian commercials and then send the tape of the show to Rogers Cable TV so that when the program is scheduled to be shown on Channel 7, the program with the Canadian commercials is substituted for the American version. As for the viewers, they will probably be blissfully unaware of the switch.

Now, it gets more complicated when Rogers Cable is carrying a program from Buffalo that is not also being carried by a Canadian network or station.

The new regulations make it possible for Canadian commercials to be inserted in place of American ones. This is the spectre of a nerve-wracked technician staring at the program, his finger trembling over a button he must press at the instant the commercial appears, so that he can substitute the Canadian one for the American one.

Not so, says Rogers. It all happens automatically. Unheard and unseen by the viewing audience is an electronic signal or loop, which announces the coming commercial break and triggers a mechanism which then plays a taped Canadian commercial. The system is already in widespread use.

In other cases, he says, U.S. networks and, or, stations, could inform Canadian stations and cable companies of the time and length of commercial breaks in scheduled programs.

Co-operation

This of course is predicated upon co-operation from the U.S. Federal Communications Commission — counterpart to the CRTC — and the U.S. networks. It certainly cannot be expected from border stations such as Buffalo's which, collectively, may lose up to \$15 million a year in Canadian advertising.

Will that co-operation be forthcoming? Rogers is confident it will. He believes the Americans will understand and be sympathetic to Canadian desires for a healthier broadcasting system that will not attempt to stem the flow of U.S. programs across the border.

Overall, as he studies the details of the CRTC's concept, he says simply, "I tell you it's a hell of a great deal."

It is hardly surprising then that Rogers yesterday announced arrangements with UNAS Investments Ltd. for \$2,200,000 in financing for his cable company.

For as Rogers sees it, far from being restrictive, the new CRTC regulations are a green light to cable television.

"I'll tell you something else," said the buoyant Rogers, "we're all set to go to 20 channels on our system. We have it all cleared with DOT (the Department of Transport) and just have to await approval from the CRTC."

"Things are looking up."

(L'Allier)

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par Paul LONGPRE

— QUEBEC — "Prématuré, mal fait et incomplet, le geste posé la semaine dernière par le CRTC fausse le mécanisme des discussions entreprises entre Québec et Ottawa sur la question des communications."

Tel est le jugement porté jeudi par le ministre québécois des Communications, M. Jean-Paul L'Allier, au cours d'une séance d'information qu'il donnait à la presse parlementaire, en compagnie de ses principaux collaborateurs.

M. L'Allier a de plus accusé le ministre fédéral responsable du CRTC, M. Gérard Pelletier, secrétaire d'Etat, de s'être servi de cet organisme pour faire des déclarations de nature politique contrairement à une entente "de gentilhomme" intervenue à ce sujet le 2 juin dernier.

Le document du CRTC constitue en fait l'antithèse d'un livre blanc sur les communications publié au printemps par le ministre L'Allier.

Promesse

"S'il est vrai que le CRTC a le droit, à l'intérieur du mandat fédéral, de prendre position en cette matière, a fait valoir M. L'Allier, il l'a fait sur les instructions du Gouvernement. Il aurait donc été possible au gouvernement d'Ottawa de demander à cet organisme de reporter à l'automne la publication de ce document."

En gros, le conflit vient du fait que le CRTC, contrairement à la thèse du ministère québécois des Communications, associe directement la câble-diffusion à la production de radio ou de télévision.

Le Québec voudrait que ces secteurs soient séparés, désirant particulièrement exercer sa juridiction en matière de câble-diffusion et de télévision scolaire.

"M. Pelletier avait accepté, le 2 juin lors d'une réunion dans la capitale québécoise, et cela devant une dizaine de personnes les termes d'une entente verbale selon laquelle nous nous engageons à ne pas faire d'énoncé de politique sur la question des communications avant l'automne", a rappelé le ministre québécois.

D'autre part, le gouvernement fédéral devait, suite à ces pourparlers, faire parvenir au ministère québécois des Communications un calendrier de discussions qui devait permettre de régler au moins les deux questions mentionnées plus haut avant septembre.

"Malgré de nombreux rappels, a déclaré M. L'Allier, nous n'avons pas reçu cet échéancier de travail. A la place, nous apprenons par la

voie des journaux, vendredi, que le gouvernement fédéral a choisi de nous répondre par le CRTC."

Le Québec, a précisé le ministre, est désireux de régler le plus tôt possible la question de la télévision scolaire, particulièrement à cause de l'implantation, à l'automne de son programme Multi-média.

Il s'agit, on le sait, d'un vaste programme d'éducation populaire faisant principalement appel à la télévision éducative et à l'animation sociale.

Impasse

On ne voit pas très bien pour l'instant comment les deux parties pourront éviter de tomber dans une impasse sur cette question, après l'affirmation du droit fédéral de juridiction faite la semaine dernière par le CRTC.

Le ministre L'Allier, pour sa part, a déclaré jeudi que le cabinet est derrière lui pour continuer ce qui a été entrepris en ce domaine et appuyer la politique globale déjà énoncée par le Québec :

"Les lois que nous avons déposées récemment à l'Assemblée nationale suivront leur cours normal et les réglementations de la Régie des services publics viendront par la suite. Au plus tard avant la fin de l'année", a-t-il dit.

Par ailleurs, il n'envisage pas pour le moment de porter cette affaire devant la Cour suprême du Canada.

By SID ADILMAN

Metro cable TV subscriber rates could increase \$2 per month in 1972 under the first Canadian Radio-Television Commission ruling, according to Israel Switzer, chief engineer of Maclean-Hunter Cable.

Currently, subscribers pay \$1.95 per month on the average, including unlimited free service calls. Rates haven't increased since the advent of cable in Toronto seven years ago.

Last week, the CRTC ruled that cable companies must pay individual stations, networks or independent producers in Canada for the right of transmitting channels and programs into subscriber lots.

If such a system were operating today, the CRTC estimated, cable would cost \$2 million. By September 1972, projected start of the fee schedule, that amount would be doubled — considering rapid growth of the cable industry.

"We're the third largest cable company in Canada," Switzer said yesterday. "With our 250,000 subscribers we represent one-tenth of all those signed in the country, so we'd pay \$400,000 of \$4 million annually.

"We have no money for that. We don't have money for programming. There is no room in our earnings for such costs. We'd have to charge subscribers. The customer would have to

Switzer's talk is blunt and forceful, but it's not unusual for him.

Known as an independent thinker within the Canadian cable industry Switzer is experienced in the field, having owned minority shares of systems in Estavan, Weybourn, Lethbridge and Medicine Hat back in 1954 — the pioneer. He is part of a team of cable engineers brought together by Maclean-Hunter over the four years it's been operating.

Maclean-Hunter's Centennial Year present to itself — a new definition of its large, national publishing concern. Its first system was in operation, begun in 1953 by Fred Metcalf, its cable firm president.

Today, it has controlling interest in cable systems in Hamilton, London, Sarawallaceburg, Thunder Bay, Huntsville, St. Catharines, North Bay, Peterborough, Collingwood, Owen Sound, Midland, Guelph and in Metro Toronto.

Revenue

Reported 1970 revenue amounted to \$100,000, the first year it had been a company with shares listed on the Toronto Stock Exchange. Maclean-Hunter owns 61 per cent of the common stock with 39 per cent having been sold to the public (pension funds, mutual funds and individual shareholders).

Net income in 1970 stood at \$552,000 compared with \$118,000 in 1969, with total assets standing at \$21 million.

Cable TV involves big figures, and small parts.

"We can't afford a mailing to subscribers — to advise them of what we program on our local channel — because that would cost us \$5,000 each time," Switzer explained. "We don't have that kind of money. 'We use the channel itself to promote our programs, and to advise of channel changes.'"

In Metro, its coverage areas are:

Highway 401 on the north and Lake Ontario bounded by the Humber River on the east and the county line between Mississauga and Etobicoke on the west, plus Islington; Pickering, Streetsville, Ajax and Parkside Drive on the west, Bloor on the north, Bathurst on the east and Lake Ontario on the south.

Its community programs are on Channel 12, except in Ajax and Pickering where they are on Channel 6. Subscribers number 32,000 of a potential 75,000. Not everyone in Metro wants cable.

"In Toronto, cable doesn't sell programs where it would in Calgary which has a limited number of channels," Switzer said. "In Toronto, it sells convenience, the freedom from changing antennae, and clarification of some channels, like 9 and 6, where reception isn't always good in every area.

"Cable, then, is a luxury, not yet a public utility."

Cable is also a broadcaster, according to the CRTC, and comes under its jurisdiction. Until a year ago, cable operators were free from regulatory broadcast body regulations.

Today, there is a list of priorities: first Canadian channels, then those from the U.S. and from the new CRTC policy, the right to drop duplicating programs and duplicating channels. Unlike most other Metro cable systems, Maclean-Hunter doesn't break into regular channels.

Switzer helped to perfect the use of channels 6 and 9 on cable, and Maclean-

Hunter carries Kitchener throughout the day rather than only when Ontario's 19 or NET's 17 is off the air.

"We believe if a station is carried on our system, all of its programming should be used."

Cost of eliminating duplicating programs — for example, Ed Sullivan on a Canadian channel, then carried a day later by a U.S. channel, where the latter would be cut off — should total between \$5,000 and \$10,000 per cable firm. Not much, considering the cost of more elaborate equipment.

Another CRTC ruling — forced elimination of U.S. advertising and replace-

ment of it by that produced in Canada on all channels at all times — doesn't add costs to cable firms.

Will pay

The CRTC has said that broadcaster — TV stations — would pay.

"Mechanics are simple," Switzer said. "You'd need a master control network-type studio, say on the top floor of the Toronto-Dominion Centre, with an operator switching out commercials and plugging replacement ones in, sending them to cable systems via microwave.

"In Vancouver, such a system was proposed and it was said to cost \$1 million. In Toronto, it would be more. The cost is little, but the principle of replacing commercials, from advertisers who pay for them, without permission or retribution, is enormous and of concern to all Canadians."

Local stations would, according to CRTC, supply the new commercials and would receive payment for doing so.

CRTC chairman Pierre Juneau said in Ottawa this week that the policy is beyond debate. It is settled.

In the CRTC's own words, the basic principle is: "One should pay for what he uses to operate his business." On the other hand, it encourages taking commercials without payment to the advertisers who make them originally.

Maclean-Hunter has another concern, not only appearing, but making certain it keeps its publishing empire separate from its cable operations. None of its publishing employees, writers or editors are in any way connected to the cable systems either behind or in front of the cameras.

"They wouldn't even give a separate parking space in the downtown — University and Dundas — Maclean-Hunter garage," Switzer said. "It's total separation. I offered to pay for one like the publishing employees do, but I was told no."

Not all companies operate the way Maclean-Hunter Cable does, but every one faces the same CRTC regulations. Increased subscriber rates could mean a slowing down of customers, and losing regulars who could go back to antennae and a rotor.

"For \$250, I could set you up with a master antennae with a rotor which would bring in all the available channels in this area, ultra high frequency ones like 17, 19 and 29, as well. But I know why you like cable.

"It's convenient, and it is free of that ghosting you find in certain areas. Channel 9 should pay us, not we pay them."

Cable TV policy hit hard

By DON MACPHERSON

The Star's Quebec Bureau

QUEBEC -- Communications Minister Jean-Paul L'Allier yesterday called the Canadian Radio-Television Commission's new regulations on cable television "an additional obstacle" to the settlement of the jurisdictional dispute in that field.

Using some of the strongest language yet heard publicly from one of Premier Robert Bourassa's Liberal cabinet ministers regarding the Trudeau government's actions, Mr. L'Allier told reporters the policy statement is a "centralizing move" by the federal government.

He mentioned a few other examples of what he called centralizing action by the Trudeau government and said:

"Federalism is not unitarism or extreme centralism."

Mr. L'Allier said the policy statement, issued last Friday, is a "political document" made public without prior consultation with the Quebec government and despite an agreement between the two governments that no such moves would be made.

He said State Secretary Gérard Pelletier had agreed with him at a four-hour meeting which they held June 2 concerning cable television that neither government would take "unilateral action" in the field while discussions continued this summer.

Mr. L'Allier said the new regulations conflict with the Quebec government's policy on cable television, which he said has not changed because of the CRTC policy statement and which he is determined to apply.

"The new regulations are an additional obstacle to the reasonable settlement of the question of jurisdiction over cable television," he said angrily, rapping the table in front of him for emphasis.

Without a settlement, it would be "extremely difficult" to avoid having a double set of rules governing cable television services in Quebec.

Because they would have to satisfy the requirements of both sets of rules, cable television companies would have to raise their fees and consumers would have to pay more for cable television service in the province.

Mr. L'Allier said the policy statement is "awkward and incomplete" and "totally unacceptable" to the Quebec government.

be "a response to a political directive" following the publication in April of the Quebec government's "working document" on communications policy.

He said the CRTC and the Quebec government are in disagreement even over the "philosophy" of cable television regulations.

While the CRTC considered cable television companies as private companies producing television programs, Mr. L'Allier's department regarded them as public communication services like telephone companies.

As a result, the CRTC's policy statement regulated the "integration" of cable companies and ordinary production companies while the Quebec policy favored dealing with cable companies separately.

The new regulations will require Canadian cable television companies to pay for the programs which they receive and relay from Canadian television stations.

Also, cable companies will have to give priority to local and regional stations, community programming and educational television, if provincial authorities want an educational channel, in choosing the stations they will carry on their system.

The money paid by cable companies, either to television stations or independent producers, would have to be spent on program production.

Mr. L'Allier said the Quebec Public Service Board, which would regulate cable television companies under legislation to come before the national assembly in the fall for second reading debate, might issue rules that conflict with the CRTC's.

This conflict over jurisdiction might be resolved before the Supreme Court, but if it is, it will be a cable television company that takes the case to court.

Mr. L'Allier said he is not contemplating court action and wants to resolve the dispute through an agreement with the federal government.

He re-iterated the provincial government's position that Quebec must have jurisdiction over cable television in particular and communications in general because of their importance to the province's particular cultural character.

He said the Quebec government wants a division of jurisdiction that will be acceptable for both the whole Canadian population and the people of Quebec.

He thought it was possible to reach an agreement that would allow the federal government to set Canada-wide communications standards while permitting the Quebec government to satisfy its particular needs.

"This is a new field, one where we are not handicapped by long traditions," Mr. L'Allier said. "It should be possible for us to make an arrangement that will be for the good of the people of Quebec and the rest of Canada."

Cable TV policy

In reply to the Bourassa government's complaints about the Canadian Radio-Television Commission's announcement of cable TV policy, State Secretary Pelletier offered the specious excuse that the CRTC has to do its duty. "The Canadian Radio-Television Commission can't be stopped," Mr. Pelletier said. "It has to discharge its responsibility under the Broadcasting Act."

A statement like that makes the CRTC sound like some sort of self-motivating tool, an electric drill that cannot be shut off. It's not, of course. The federal government's hand can be applied to the switch whenever it chooses. The CRTC is an instrument of public policy, ultimately defined outside Quebec and not always to Quebec's advantage.

The CRTC's policy announcement prejudices the outcome of the serious discussions that should take place between Ottawa and Quebec City about jurisdiction over cable television systems. It takes cable far along the road to integration into the totality of Canadian broadcasting. It assumes jurisdiction over cable when, in fact, this has been challenged by Quebec on solid grounds.

Mr. Pelletier mentioned the Broadcasting Act. But the Broadcasting Act contains a highly questionable definition of cable television as a broadcasting operation, for cable signals are carried through wires rather than broadcast through the air. The Quebec government's view of cable TV companies as carriers makes more sense. Even if one accepts the view of the cable company as a broadcaster, it is still wrong to regard federal jurisdiction as a matter beyond dispute. The 1932 Privy Council decision is not Holy Writ.

The Quebec government should press ahead with its own legislation, which Communications Minister Jean-Paul L'Allier tabled at the last session. Otherwise its determination will not be believed. Once it has sunk into federal heads that Mr. Bourassa and Mr. L'Allier are serious about this question, it should be possible to open it up for meaningful federal-provincial discussions. It is worth recalling that Ontario and Alberta also want control over cable TV.

There can be no doubt about the object of such discussions as far as Quebec is concerned. Jurisdiction over cable TV would be an invaluable weapon in the unceasing effort that the Quebec government must make to ensure the survival of the French fact.

Indeed, it is a weapon Quebec can ill afford to do without if French-Canadian society is to survive under the conditions that confront it today. The idea that the CRTC could be as effective as a Quebec government agency in regulating cable TV for the benefit of French-Canadian society is idle thinking. It would not have the same interest nor the same priorities.

English-speaking society in Quebec has to see the question positively. The Quebec government is interested in cable TV jurisdiction not for the sake of restricting anybody's viewing opportunities or of cutting down on English-language programming, which is pretty sparse here anyway. It wants to develop the largely neglected opportunities of cable TV as a medium of education and of communication within the community, using both the French and English languages in the proportions dictated by the needs and interests of the people of Quebec as a whole.

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Channel 12 in Middle

Cable TV Rules

May Pack

Economic Punch

By BRUCE LOWTHER

As the Canadian Radio-TV Commission goes to a system of cable television rules that could cut programs or channels in Greater Victoria? Possible, but it will be next week at the earliest anyone knows for sure.

After about two years of study, the CRTC Friday issued in Ottawa its final set of cable rules, including these main points:

• Cable-system owners and broadcasters must work out plans for the cable systems to pay regular TV stations for Canadian programs.

• Cable systems must obey a station-priority list which sets no limit on the number of U.S. channels, providing other priorities are met.

• Cable systems must delete programs shown on U.S. channels, but only if the same program is shown at the same time on a local channel and the latter asks for deletion.

• Cable systems must delete commercials on U.S. channels if local channels ask for it and can replace the commercials with their own advertisements.

• The CRTC recommended changes in federal income tax laws forbidding Canadian companies which buy advertising on U.S. stations to write off the cost as a business expense.

The final set of rules is much simpler than one announced 14 months ago by the CRTC. It would have made some program and channel blackouts earlier and led to a protest campaign which saw Mayor Greater Victoria residents sign petitions which went to Ottawa.

Sources in the cable and broadcasting industries indicated Friday the highest effect of the rules would be on Channel 12, the city's main U.S. channel.

(Continued on Page 2)

rated the most popular TV station in Greater Victoria.

Channel 12 officials could not be reached for comment but company president Dave Mintz of Vancouver said earlier any anti-wireless plan would have a drastic effect on his firm. It might cut Channel 12 staff which has 60 of its 100 employees working in Vancouver.

Les Curran, president and general manager of Victoria Cablevision Ltd., said he understood the pay-for-programs rule applied mainly to non-network shows like National Film Board productions. It could also mean CBC and CTW programs seen on cable at different times than on the networks.

CRTC chairman Pierre Juneau said it was firm policy that the TV industry should receive payments for Canadian programs carried on cable systems and estimated payments might total \$2 million a year.

Canadian Cable Television Association president Robert Short of Ottawa approved the idea of negotiating the payments, saying: "Nobody minds buying something if you have a say in the matter and get some value from it."

Curran said he expected detailed information on this part of the rules next week. Other sources said it was possible cable systems might not be able to work out program prices with broadcasters and would black out the programs, but no one knew if this would apply to Canadian shows or U.S. shows or both.

Asked if there was any possibility any program seen on Victoria Cablevision during a regular season might be lost, Curran replied: "Not that I can see."

The CRTC's new priority list put local TV stations first, then regional Canadian stations of both networks, community channels and educational channels before U.S. stations. Curran felt the re-

sult in Greater Victoria would be a cable system as it is now.

The program-deletion idea, said Curran, would assure cable subscribers would see the show since the CRTC changed its rule of last year — blackouts of duplicates within a week — to same-time programs.

The commercial-deletion idea was a Victoria Cablevision brainchild. Curran suggested it to the CRTC at hearings in May and said Friday he feels substitutions can be shown without delays and with not much added cost.

The CRTC also said it is looking into ways of licensing cable systems in individual apartment buildings, run off a rooftop antenna.

And it indicated cable operators might get rate increases if the pay-for-programs plan was a strain. But Curran said his firm had no plans to seek higher rates and wanted to find out first what payments it faced.

Juneau said the final set of rules has as its main object the survival of Canadian television. He said cable television endangered regular broadcasting because it made Canadian TV stations less attractive to advertisers and threatened their income.

tem must provide educational TV channels if they are requested by provincial authorities and community programming channels.

Cable systems are, however, limited to carrying three U.S. stations by microwave relay — those which cannot be picked directly out of the air.

The commission also recommended changes in federal income tax law which would prevent Canadian companies which buy advertising on U.S. television stations from writing the cost off as a business expense.

The change was suggested after the Canadian television industry claimed U.S. stations carried on cable systems have made Canadian TV stations less attractive to advertisers.

Short said the association is "encouraged" by the CRTC document because it serves the interest of Canadian viewers.

He said the cablevision industry up to now has had an identity crisis, not knowing whether they were broadcasters, the property of the provincial governments or a telephone network.

"The CRTC document seems to recognize us as a new dimension in private communications," Short said.

The cablevision association, which represents 180 companies serving 85 per cent of the cablevision viewers, is working on a scheme whereby the larger Canadian cablevision systems would delete U.S. commercials from programs and substitute Canadian commercials.

McKay said the CRTC announcement was expected because the Montreal hearings last April showed "the Canadian public wants a Canadian broadcasting system, but does not want to be denied access to U.S. material."

SUNDAY SUN,
JULY 17, 1971

CABLE TV SUBSCRIBERS FACE FEE HIKE

CRTC
CABLE
FINANCE

Domestic service to reap benefits

Canadian television could get a financial shot in the arm of up to several million dollars a year—but cable subscribers will likely have to pay \$1 a month more for it.

Local cablevision operators said Friday the rate increase could result from the Canadian Radio-Television Commission's announcement Friday that cable companies will have to pay Canadian television stations for any Canadian programs they carry.

The announcement followed a February CRTC report that said the future of Canadian broadcasting is threatened if cable is allowed to continue growing as it has in the past.

The commission left the details of the payment to be worked out between the cable operators and the television industry.

It suggested that the scheme be based on gross revenue per mile of cable — which would have amounted to \$2 million in 1970 for Canadian television broadcasters and possibly double that in the year beginning Sept. 1, 1972.

The long-standing problem arises from the high penetration of cable services, particularly in Vancouver and Montreal, where it reaches 50 to 60 per cent of the population.

Although the commission did not specify whether the payments would constitute grounds for a rate increase, CRTC chairman Pierre Juzeau said in Ottawa, companies could apply for a rate increase if their services are increased.

John McKay, manager of West Coast Cablevision, 5933 East Hastings, said that if rate increases are allowed it could amount to \$1 per month bringing the monthly charge for the first set to \$6. He said the current rate \$5 per month for the first set and \$1 for each additional set.

McKay and Bob Short, of Ottawa, president of the Canadian Cable Television Association, said they were pleased with the CRTC document, formulated after hearings with the cable and television companies and others.

The payments are being introduced by the CRTC to help the Canadian broadcasting industry, which claimed at hearings it is being hurt by the increasing variety of U.S. entertainment available by cable.

The CRTC said the cable companies should pay Canadian television companies for the programs which are picked out of the air and delivered by wire to customers.

The CRTC also announced that individual operators must meet a set of priorities before they will be allowed to carry U.S. stations, although the number is permitted is unlimited.

The priority system means the local operators will have to first carry local stations, then regional stations of a different network and then distant stations not affiliated to the same Canadian network, local or regional station.

Before any U.S. stations may be carried, the cable sys-

"Cable" page 2

La riposte de M. L'Allier au CRTC

M. Gérard Pelletier a tenté l'autre jour de prendre ses distances vis-à-vis le CRTC en prétextant que les récentes directives de cet organisme sur la télévision par câble étaient la seule responsabilité du CRTC.

Le secrétaire d'Etat sait très

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bien qu'il était tout à fait loisible au gouvernement fédéral, si celui-ci avait jugé devoir le faire, de donner instruction au CRTC d'éviter toute intervention susceptible de compromettre les négociations engagées entre Ottawa et Québec au sujet de la télévision par câble.

Le gouvernement fédéral ayant préféré laisser le CRTC s'attribuer, bien au-delà de ce que définit la loi, une autorité presque complète sur le câble, M. Pelletier sera le dernier à s'étonner de la vivacité avec laquelle le ministre québécois des communications a réagi à la dernière initiative du CRTC.

Ottawa et Québec se situent, en cette matière, sur deux longueurs d'onde radicalement différentes. Les autorités fédérales revendiquent la compétence sur le câble en raison de l'unité qu'elles entendent préserver au sein du système canadien de radiodiffusion. Québec soutient, pour sa part, que la question du câble déborde de beaucoup celle de la télévision et que, perçu dans sa nature première et dans sa vocation propre, le câble relève au premier chef de la compétence provinciale.

Si chaque logique devait suivre son cours jusqu'au bout, la question aboutirait tôt ou tard devant la Cour suprême. Indépendamment du verdict que rendrait celle-ci, un grand nombre de Québécois garderaient la conviction que, si la question était soumise au peuple, celui-ci préférerait opter en faveur de Québec plutôt que d'Ottawa. Rien n'est plus dangereux qu'un système où il existe ainsi, sur des questions touchant de très près le partage des compétences, un risque permanent de conflit entre une décision judiciaire et la volonté populaire. Aussi faut-il souhaiter que reste ouverte la possibilité d'une solution politique faisant droit aux légitimes aspirations du Québec.

Claude RYAN

Cable confusion

CRTC
CABLE

2
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The gropings of the Canadian Radio-Television Commission for an adequate policy for cable tv are so tentative and unequal in their national application that a direct judicial challenge to federal authority in the field on the part of a province might help to clear the air.

More than two years ago, the CRTC produced a "cable policy" so misguided by its obsession with U.S. influence that it was quietly buried in the wake of hoots of derision all round. The other day, a second attempt was closer to reality — but it still has a long way to go in terms of the interests of Western Canadians.

This lack of national perception, coupled with genuine doubt as to the validity of federal jurisdiction over cable as an instrument of community communication, may render a provincial challenge more helpful than harmful. Ontario and Quebec have already articulated their doubts, but the Alberta government has yet to defend its people who are being hit hardest by the CRTC.

There are three areas of objection:

First, the round of bureaucratic hearings necessitated by the new policy could, by local testimony, delay cable transmission of the three U.S. networks in Calgary by as much as a year.

Second, the CRTC would have cable operators, meaning their subscribers, pay fees to conventional television stations for transmitting their programs. This is a bit much when it is remembered that a prime motive for cable subscription on the part of the citizen is improved reception.

Third, in a related dictum, the CRTC suggested that the Canada Film Development Corporation get into the business of subsidizing television program production. Fine, but whatever happens to the \$150 million a year the taxpayers already pump into the Canadian Broadcasting Corporation? We thought some of that was for program production.

The CRTC's main problem seems to reside in its implacable concentration upon the urban densities of Toronto and Montreal, wherein millions of people already subscribe to cable and receive therefrom many U.S. channels.

But the fact is that the preponderance of these people can receive most of the U.S. channels they want off-air if they go to the trouble of installing an antennae. The U.S. influence is there whether the CRTC likes it or not. Its dislike, however, ought not to propel it into policies which leave the barn door wide open in Eastern Canada and attempt to keep us simon pure in Alberta.

We advocate a provincial challenge, not in the spirit of an attack on federal authority as such — because we believe in strong federal government — but because the central agency seems to be having such a terrible time coming to terms with a form of communication that has deeper local than national implications.

28 juillet 1971

000987

CRTC
NATIONAL CABLEVISION
CBS

LE CRTC AUTORISE LA VENTE DE NATIONAL CABLEVISION A UN CONSORTIUM QUEBECOIS

par Gilles Constantineau

OTTAWA — Le Conseil de la radiotélévision canadienne a annoncé hier qu'il acquiesçait à la requête par laquelle un consortium composé de six sociétés québécoises d'assurance et de la Caisse de dépôt et placement du Québec s'était proposé comme acheteur des installations québécoises de l'entreprise de câblodiffusion National Cablevision, à Montréal et à Québec, et de celles de la société Rediffusion à Sherbrooke, et de la société Transvision Eastern Townships à Victoriaville-Arthabaska, au Cap-de-la-Madeleine et à Ascot County.

Le Conseil note, dans le texte du communiqué qu'il a diffusé hier, que la

transaction proposée est "fruit de négociations longues et complexes", que l'actuel propriétaire principal (le réseau américain CBS) ne conservera que 20 pour cent des actions de la nouvelle entreprise, se conformant ainsi au règlement fédéral qui interdit une participation étrangère plus élevée dans des entreprises de radiodiffusion, et que 60 pour cent de l'actif de la nouvelle société National Cablevision appartiendront "à des intérêts locaux".

Il répond indirectement, sans la trancher vraiment, à la question de savoir s'il respectait, en cédant à la demande, à l'arrêté fédéral de 1970 qui interdit l'octroi de permis de radiodiffu-

sion à des agences de gouvernements provinciaux. Ainsi souligne-t-il que la Caisse se propose de réduire sa participation aux environs de 20 pour cent, d'ici six mois peut-être. Il "prend note" également de l'intention de la Caisse de restreindre dès que possible sa part de la garantie donnée pour la dette de \$12 millions de National Cablevision à l'endroit de CBS. Il ajoute que la Caisse est "le seul investisseur qui soit un agent de Sa Majesté en l'occurrence, et que ce n'est pas elle qui sera titulaire du permis. Enfin "les actions que détient la Caisse ne lui donnent pas le contrôle", et le Conseil a accepté "comme étant de bonne foi" les déclarations des représentants de la Caisse affirmant que celle-ci "agit indépendamment du gouvernement" et qu'elle "ne se propose pas de contrôler la société."

Le CRTC explique d'autre part qu'il consent à l'achat des installations de Rediffusion à Sherbrooke et de Transvision Eastern Townships dans les trois autres régions pour la raison que "les systèmes de Montréal et de Québec n'ont pas un haut degré de pénétration" (celui de Montréal n'a effectivement que 90.000 abonnés environ, et celui de Québec n'en a qu'environ 18.000), et qu'ils exigeront "d'importants investissements à mesure que le nombre d'abonnés augmentera." Or selon le Conseil, "il serait difficile d'obtenir ces investissements sans le fonds de roulement que fournira l'ensemble de l'entreprise".

On se rappellera cependant que certains des opposants qui s'étaient opposés à la transaction devant le CRTC, lors de la séance publique que le Conseil avait consacrée à l'examen officiel du dossier, le 28 juin, avaient signalé que National Cablevision allait ainsi fournir le service de câblodiffusion à 45 pour cent des 300.000 abonnés de toutes les entreprises de câble du Québec.

Le CRTC déclare enfin souhaitable, en conclusion, "que National permette à plus de Québécois de prendre part à la propriété". De ce vœu il tire un autre argument favorable à l'achat des systèmes de Rediffusion et de Transvision: "Il est évident, déclare-t-il, qu'une souscription publique aurait plus de chance d'obtenir des résultats satisfaisants et rapides, si elle était lancée pour l'ensemble des systèmes plutôt que pour les systèmes de Québec et de Montréal seulement."

Le CRTC annonce également qu'il accorde aux entreprises impliquées, "à condition que soient effectuées les transactions approuvées", des permis qui expireront le 31 mars 1976.

Dans une étude récente, le CRTC annonce que les entreprises de câble devront payer des droits aux postes de télévision dont elles voudront transmettre les programmes, sauf dans le cas d'émissions prélevées sur les chaînes américaines. On pourrait croire que c'est là une invite à la facilité et à l'abus, mais le CRTC entend également imposer des priorités. Les câbles devront transmettre des programmes de postes locaux avant ceux de postes régionaux. Ils devront aussi accorder la priorité aux émissions éducatives que pourraient solliciter les autorités.

Les câbles n'auront pas le droit d'exploiter un poste diffuseur. En revanche, ils percevront les abonnements (et les taux seront majores), et ils auront le droit d'intercepter les annonces commerciales imbriquées dans des programmes américains. Toutefois, plutôt que de vendre eux-mêmes le temps d'écoute ainsi récupéré, ils devront s'entendre, par contrat, avec des postes locaux désireux d'utiliser ces "trous publicitaires".

Ainsi donc, il sera possible d'intégrer des annonces commerciales canadiennes à des émissions américaines.

Tout ceci semble trop compliqué pour être efficace. Comme dirait l'autre, on est en danger de tomber dans "une patente" où les actionnaires "désintéressés" vont se faire royalement rouler.

Le câble sera bien à nous, mais que transmettra-t-il ? Des niaiseries "locales" ? Des "soirées de chez nous" ? Des élucubrations d'intellectuels ? Il se pourrait que nous ayons un beau contenant, mais pas grand chose à mettre dedans, puisque en définitive, le problème fondamental en est un de production et non de diffusion.

Jean PELLERIN

Television

with Eileen Johnson

It could be a kick in the teeth for Channel 12 in Bellingham, but for Canadian broadcasters, for the cable companies, and even eventually for Canadian viewers, the recent policy statement on cable announced by the Canadian Radio-Television Commission is good news.

Most obviously, it is good news for the broadcasters. They will be collecting money from the cable companies who use their programs. The CRTC guesses at around \$1 million the first year, and more in future years. That's a lot of Singalong Jubilee.

It's even good news for the cable companies, because they will be allowed to expand with as little hindrance as possible.

"Big and large we are quite pleased," says Bud Shepard, president of Vancouver Cablevision. "The commission has really got to know the problems of cable, has realized we are a special area and not just a spin-off from broadcasting."

That hasn't been as easy as it may seem.

"Canada leads the way in cable in the world," says Shepard, "and most innova-

tions in cable have been developed in this country. In the U.S. there has been very little planning or building because the cable firms don't know if the government will allow them to develop. But generally the policy here is very favorable to the industry."

There is another opportunity for revenue for Canadian broadcasters in the policy. The commission will allow Canadian broadcasters to delete advertising on U.S. channels, and insert their own ads.

And Bud Shepard is pretty sure Vancouver broadcasters, particularly B.C. Television, will take advantage of this little plum. "There's another \$25 million in potential revenue there," Shepard says, "and if the Canadian firms can't make a profit with that, then they need a new bookkeeper."

The station most likely to feel the pinch will be Bellingham's Channel 12. Not only will B.C.-based stations be able to sell Bellingham's commercial time, but another aspect of the commission's statement may cut heavily into the station's current income.

The commission has decided to ask the government to amend the Income Tax Act so that Canadian firms advertising on non-Canadian stations will not be allowed to use that advertising expenditure as a tax deduction. Not a crushing penalty, but one that will hit the bank balance, which is where it hurts most.

There is another point in the policy statement that may affect Channel 12. The commission has limited to three the number of commercial U.S. stations that may be carried to Canadian viewers by microwave.

At present, Vancouver Cablevision doesn't use microwave, but they would like to

pick up the three Seattle stations by this method, because they can offer a clearer, sharper picture with microwave. The firm hasn't officially applied to change its system, but probably will this fall. They want to continue carrying Channel 12 as well, of course, and since the choice of channels is so well established in Vancouver, the commission may make an exception.

Shepard says his firm will have to hire two or three more people to handle the technical end of deletions and insertions, "but that's the responsibility of the broadcasters, and the commission has duly told us so."

HIGHLIGHTS

The ways children learn are examined on *The World We Live In* at 9:30 on Channel 2. Psychologists look at the ability of infants to track moving lights with their eyes, and to distinguish between their parents and strangers.

5 p.m., Channel 8. More football. Edmonton Eskimos playing in Hamilton.

7:30, Channel 5. George Hamilton plays *The Turncoat* on Action Playhouse. He portrays a GI who defected to the Chinese during the Korean War and is now a spy.

8:50, Channel 8. Don Knotts and Arthur Godfrey in a Comedy Theatre farce called *The Reason Nobody Hardly Ever*

Seen A Fat Outlaw in the Old West Is as Follows.

9, Channel 2. Temporary Vancouver resident Glenn Yarbrough sings on the *Irish Rovers Show*.

9:30, Channel 5. Crime is the topic on *Here Come the '70s*, with New York police specialist Ralph S. Johnson.

10, Channel 5. *Cherry, Cherry, Cherry*. Comedy. Glenn and McInnis and a troupe of acrobats the Canastrells are guests on *Vic Damone's* show.

11:50, Channel 2. A very good British film, *Too Hot to Kick*, stars Michael York as a spy young man determined to learn the secret of Lady Lullaby. Rick Vanham is in it too.

It Looks As If It Will

Advertising is the life blood of the television industry. The new policy for cable television put out by the Canadian Radio-Television Commission is based on that.

For that reason the new policy looks like a winner. After months of study and hearings the CRTC has tackled the main problems facing the industry in a way that should please most Canadians.

Why is it that the explosion of cable television in Canada has so threatened the broadcasting industry? Not just because Canadians got more choice of programs, but because U.S. stations were able to add new Canadian audiences and thereby new advertising revenues. Canadian stations, when they lost viewers, have had to reduce their advertising rates (to compensate for the smaller audience), cutting their revenues and their expenditures on programs.

Equally, Canadian stations that had been set up to compete with perhaps one other local operation found themselves fighting the U.S. networks—CBS, NBC and ABC. At one time the CRTC had thought the way to fight this was to prevent the carriage of more than one U.S. channel on cable.

But this deprived the public of choice. It particularly cheated two classes of citizen, those near the U.S. border who enjoyed choice and those far away who didn't. It was bad business and bad politics.

Now, by allowing cable to carry the U.S.

shows, but allowing Canadian stations to put their commercials on in place of those from the American network, the CRTC has in one swoop given the Canadian public a wide range of choice and Canadian stations a wider advertising base upon which to sell.

The U.S. networks, of course, aren't going to like this. No doubt there are already strong signals on their way to Washington. But, as CRTC chairman Pierre Juneau points out, U.S. stations are not licensed to broadcast in Canada and they have no rights here. We aren't jamming their transmissions, simply making use of them to bolster the economic health of the Canadian industry.

Rough stuff? Sure, in some respects it is. But the fact is that for years the U.S. television networks have looked on Canada as the great dumping ground. They have been able to offer advertisers the Canadian market as an attractive bonus.

For Canadian private broadcasters U.S. border stations have been a longstanding problem. Cable—with its ability to extend the area of coverage — threatened to turn this already difficult competition into a disaster.

It took strong action to save the Canadian magazine industry when it was on the brink of extinction. Pierre Juneau and his colleagues may now have done the same thing for broadcasting while leaving Canadians free to watch — as they are free to read — the best and worst the U.S. can produce.

CRTC proposals for cable TV deserve a cheer

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the editor of The Star:

One of the most ingenious and d concepts in the latest Canadian dio-Television Commission policy tement is the deletion and substitution of commercials on cable TV he signals of stations not licensed serve Canada. American ads d be replaced with Canadian for all cable-viewers. This would an, in fact, that cable companies d continue to carry American nels into our homes, but that dian television stations would able to sell commercial time on e channels.

aving made a submission to the CC hearings recommending this se of action. I would like to ex the background to and some of plications of my position.

unique television situation exists anada. Our culture is threatened ur U.S. neighbor who has placed mitters near our borders. The dian identity is endangered by American presence. Canadians ot ignore the fact that economic rialism means cultural impe-ism, and that today's instrument ure is technology, and technol-is much of what economic take-is about: films, periodicals, ision, textbooks, etc. In effect, da has been invaded by the rican mass media.

r exposure to American TV is inly to some extent a matter of apathy, but when three-fifths of dian households are within the e of U.S. stations, this becomes than a matter of simply ad-ging real estate.

tempts to exclude American amming will inevitably fail, as mitters are deliberately placed adcast from neighboring states is specific purpose. The recent e report singles out some noto-cases of U.S. transmitters near anadian border without a sig-nt American audience to serve.

For example, KCND in Pembina, North Dakota (population: 600), also serves the Winnipeg area. Similarly, KVOZ in Bell City, Wisconsin, serves the Vancouver area, which normally could support a third Canadian station. Well-known are the three Buffalo stations, which overflow the Hamilton-Toronto area, and the five Detroit stations, with transmitters directly across the river from Windsor.

Urbanization has been a strong influence in Canada as well as in other parts of the world. American stations have beamed their signals into the largest Canadian urban areas. Only recently have the American signals come accidentally under Canadian control. I am referring to the advent of Canadian cable companies, which improve the reception of both Canadian and American stations.

As it becomes technically possible, through microwave or other electronic communication systems, to extend the receiving market for foreign signals, it becomes even more desirable to replace the commercial advertisements.

Assuming that Canadians would still prefer to have the foreign stations imported, television stations could then sell time to Canadian companies to advertise on the American networks (i.e., have their commercials inserted where the American commercials have been deleted). The elimination of U.S. commercials would help arrest the occurrence of overflow advertising—a situation in which an American company can advertise on a Buffalo channel not only to stimulate local sales but to create a Canadian export market.

Canadian companies would be glad to advertise on the American networks, as they attract a large Canadian viewing audience. In this way, we could take advantage of an

overflow situation that has also occurred in other industries. For example, Time magazine has lower costs and a lower cost structure because most of its content is produced in the United States. In that situation, we say that the Americans have an advantage in that they collect Canadian advertising revenues to pay for content that has already been paid for elsewhere.

In the case of cable television, we could apply the same idea. American content could be used at no cost to the cable company. Canadian advertisers could be found to sponsor these programs. The implications that could be drawn are the following: demand for American imported products should decrease and the demand for Canadian-produced goods should be stimulated due to increased advertising exposure.

Relevance is also an important consideration in television material, and it is preferable to see ads from local or national companies than to see ads for goods offered for sale in another country. Substituting commercials in no way increases the cost of service to the cable subscriber, and his choice of U.S. programming is in no way limited.

The revenues collected by the cable companies are the important part to examine. The only increased costs to the cable company is the depreciation of the black-out equipment, and the additional revenues would be profits. These profits could be used to develop or encourage the development of a Canadian broadcasting industry. These funds could be used to produce Canadian programs.

As an aside, U.S. companies that wish to advertise on the Canadian market will have to buy time from the Canadian cable companies or from the Canadian networks. This would create a flow of funds in the right direction so far as Canadians are concerned. U.S. broadcasting companies could do little about this type of restriction. Certainly they would not decrease the strength of

their signals, as this would defeat their purpose of placing transmitters near the border.

There has been some criticism of this plan suggesting the "unethical pirating" of the benefits of U.S. shows and that American networks will retaliate. Under the new proposals and technical improvements in microwave systems, it may no longer be necessary for CTV to buy Marcus Welby, MD, from Hollywood. It could be relayed in by microwave and CTV would only sell commercial time for local audiences. The laws of copyright appear to be vague enough to allow this to happen.

American stations have been cashing in on their spill-over Canadian audiences for years, and they have always known that they did not really have a right to it. The time to put a stop to it is now.

JOHN R. KERR
York University
Toronto

John Kerr is a student at York University.

LETTERS TO THE COMMISSION ON CATV POLICY

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J.R. Peters, President, CHAN-CHEK-TV Vancouver.	Supports payment to broadcasters, identical program replacement, commercial substitution, and suggested amendment to 12A of Income Tax Act. Also favors idea CFDC should extend support to TV production.	pages 5 & 7
Dr. Wayne Brideaux Committee for an Independent Canada, Calgary.	Appends survey of 500 persons indicating strong support for commercial substitution. Also small poll of electoral candidates showing favor of Canadian commercial production over use of foreign material.	pages 8 & 9
Ross McGregor Managing Director Cablecasting Limited, Calgary and Toronto.	Outlines development of Calgary system. Indicates they have applied to add two new U.S. signals because "we believe carriage of these signals is consistent with the policy statement of July 16." Have met with managers of stations CFAC-TV and CFCN-TV re implementing July 16 policy.	pages 10 & 11

G.D. Zimmerman President, Sarnia Broadcasting Ltd.	Interested in leasing a channel on local cable system to provide simultaneous radiocasts of some current programs. Wonders how this goes in view of policy. Wants to discuss with Commission	pages 12 & 13
A.J. Park President, Inland Cablevision Ltd. Kamloops, B.C.	Relates similarity between policy statement and his own - statement made at time of Kamloops cable applications hearing.	page 14
I. Switzer Maclean-Hunter Cable TV Toronto, Ontario	Commission should feel no obligation to further extend U.S. networks into places such as Calgary and Edmonton while there are still Cdn. VHF channels available to be developed. Also believes contract between Edmonton cable operators and Edmonton telephones contravenes July 16 policy on hardware ownership.	pages 15 to 18
R.C. Addison Willowdale, Ontario.	Objects to payment to broadcasters. Afraid this "tax" will mean added cable rates. People on MATV or in clear signal reception areas get away without paying anything.	pages 19 to 20
Frank Griffiths, Western Broadcasting Ltd. Vancouver, B.C.	Proposals sound and logical. Creating a payment formula for program fund will be difficult but is in the national interest.	page 21
Miss L. Turbayne Private Citizen Calgary, Alberta.	Lauds program regs and decries their "watering down." Suggests one U.S. channel in Calgary is enough. City should have a CBC 0 and 0.	pages 22 & 23
Jean Beauchemin, Managing Director, Telecable de Québec Québec.	In light of Commission's concern with developing community program he believes international tariffs on cablecasting equipment should be removed as in the public interest. They're getting ready to do community programming, beginning this fall.	pages 24 & 25

Victoria Labour Council

2750 QUADRA STREET
VICTORIA, BRITISH COLUMBIA
CANADA

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CHAIRMAN'S OFFICE
BUREAU DU PRÉSIDENT

SEP 14 1971

C. R. T. C.
Ottawa

September 10 1971

14

Mr. Pierre Juneau,
President,
Canadian Radio-Television Commission,
100 Metcalfe Street,
Ottawa, Ontario

Dear Mr. Juneau:

C. R. T. C.

SEP 14 1971

Referred to - Référé à

File No. - No. du dossier

11-1-1

This body has formally endorsed the following motion:

"WHEREAS the stated aim of the Canadian Broadcasting Act is to "safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada",

WHEREAS the regulatory agency charged with the responsibility of carrying out this mandate, the Canadian Radio-Television Commission, recently ruled that Cable Television should pay for programs it uses and which are made available to it by the Canadian Television Industry,

THEREFORE BE IT RESOLVED that we write the CRTC intimating our agreement in principle with the idea of Cablevision having to pay for programs it takes freely off the air, but urging the CRTC to ensure:

- 1) That funds which will pass to the television industry as a result of the new policy be specially earmarked for program improvement, not go into profits.
- 2) That Cablevision, should it deem any increase in service charge to subscribers necessary as a result of the new policy, be required to make public application for it in the same way as other public utilities are required to."

Your Commission's kind consideration of these proposals would be greatly appreciated.

Yours very truly,

L. Ryan

L. Ryan
Secretary-Treasurer

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CHAIRMAN'S OFFICE
BUREAU DU PRÉSIDENT

SEP 14 1971

C. R. T. C.

1665 Missenden Crescent
Mississauga, Ontario,

September 9, 1971.

C. R. T. C.

SEP 14 1971

Referred to - Référé à

File No. - No. du dossier

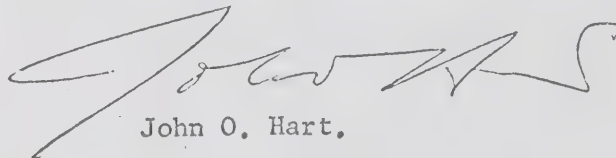
Mr. Pierre Juneau,
Canadian Radio and Television Commission,
Ottawa, Ontario.

Dear Mr. Juneau:

I am writing to register my incredulity at the recent policy change suggested by your Commission which would allow Canadian cable companies to pick up American programs, insert their own commercials and pass them on to the Canadian public. From a strictly nationalistic, or one might even say chauvinistic, point of view such a policy might seem commendable; but do you realize, sir, that in effect what you are doing is condoning, indeed I might even say encouraging, out-and-out "theft". To my point of view it is unworthy of Canadians to condone such a policy.

I wish to congratulate you on your policy of requiring greater Canadian content in radio programs, however. I believe that it has worked out very well and it has not led to a deterioration in the quality of programs offered and has demonstrated that Canadians are quite capable of producing material that will hold its own against that produced south of the border.

Yours very truly,


John O. Hart.

JOH:gk

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UNIVERSITY OF SASKATCHEWAN SASKATOON, CANADA

September 8, 1971

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C. R. T. C.

SEP 13 1971

Referred to - Référé à

File No. - No. du dossier

234-1

Mr. Pierre Juneau
Chairman
Canadian Radio-Television Commission
100 Metcalfe Street
Ottawa, Ontario

Dear Sir:

Within a recent policy statement (July 1971) prepared by Canadian Radio-Television Commission, a strong case was made for development of a television production industry in Canada and for experimentation with programs to meet a variety of objectives. The purpose of this letter is to enquire as to what are existing sources of financial support for experimentation in uses of mass media for educational purposes, and what are procedures for applying for support that is available.

At the University of Saskatchewan, Extension Division, Saskatoon, we are currently preparing and evaluating various approaches to making the knowledge of the University more generally available to the scattered population of the province. Among the approaches being tried are television, radio, 35mm slide and audio tape presentations of subject matter in single and multiple projector versions, video tape presentations of subject matter, combinations of these with conference telephone connection. All approaches are being evaluated to determine what contribution each can make to effectiveness of educational experiences.

Our faculty includes adult educators with interests and competence to develop the educational materials required. The education and experiences of the faculty is such to provide a capacity for experimentation and research. On our own staff and on the staff of the University's Division of Audio-Visual Services, are personnel technically competent to produce educational materials using mass media. The facilities of the Division of Audio-Visual Services are

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CHAIRMAN'S OFFICE
BUREAU DU PRÉSIDENT

SEP 14 1971

C. R. T. C.
Ottawa

EXTENSION
DIVISION

Mr. Pierre Juneau

Page 2

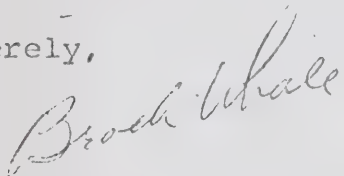
September 8, 1971

adequate to permit experimentation using air media.

We are seeking to increase the pace of our experimentation by obtaining financial support to supplement that which the University can provide us for the work. Our objective is to, as quickly as possible, make maximum use of modern communication technology to make the considerable subject matter resource of the University available to a much broader public.

An early reply would be appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Brook Whale".

W. B. Whale

Head, Program Development Department

WBW:ra



VANCOUVER/VICTORIA

BRITISH COLUMBIA TELEVISION
BROADCASTING SYSTEM LTD.
P.O. BOX 4700 VANCOUVER 3, B.C.

September 9, 1971

Mr. Pierre Juneau
Chairman
Canadian Radio-Television Commission
100 Metcalfe Street
Ottawa, Ontario

Dear Mr. Juneau:

May we, here at British Columbia Television, take this opportunity to offer you and the Canadian Radio-Television Commission our sincere congratulations on the policy statement on cable television released by the Commission on July 16, 1971. We believe that the Canadian Radio-Television Commission has performed a commendable public service in recognizing the serious effect that cable has had on the conventional television broadcaster. The manner in which you have dealt with this complex problem in your policy statement of July 16, 1971 will, in our view, greatly assist in restructuring these two vital areas - cable and the conventional television broadcaster - and when these policies are implemented they will result in strengthening the Canadian broadcasting system.

We are in full support of the principle that one should pay for what is used to operate a business. In the light of this, the recommendation that you have made that cable television systems should pay for programs and services they receive over the air by buying additional Canadian broadcast programs from broadcast licensees and other sources for playing or replaying on their systems, is a very positive step in the right direction.

.../2

6

Page 2

Mr. Pierre Juneau

September 9, 1971

We are in strong support of your recommendation that when identical programs are carried on a cable television system on more than one channel during the same time period, the station having higher priority may require the cable television system to delete the transmission of any lower priority program. This policy will do a great deal to strengthen the audiences for the Canadian release against the highly competitive NBC, ABC, CBS networks throughout Canada.

The commercial substitution principle also receives our strong support. We here in Vancouver feel that with a highly fragmented audience and a U.S. station in KVOZ, Bellingham being operated as a Canadian station from a Vancouver base, that this is really the only manner in which television broadcasting in British Columbia, and specifically in Vancouver and Victoria, can achieve the financial strength to meet the regulations and the aims of the 1968 Broadcasting Act. As we indicated to the Commission in your April hearing, we are prepared to pay the entire cost of installing and operating the equipment for commercial substitution in Vancouver and Victoria and, as a result of the July 16, 1971 document, we are meeting with the Cablevision people here in Vancouver on September 10, 1971.

We were also very pleased to see the Commission has come forward with and has requested that the government of Canada amend Section 12A of the Income Tax Act to include advertising purchased by Canadian advertisers on stations not licensed by the Commission. As you know, here in the Vancouver/Victoria market, close to six million dollars a year is spent on commercial messages transmitted by a station not licensed to serve Canada, but in fact is deriving 95% to 98% of its revenue from this country.

7
Page 3

Mr. Pierre Juneau

September 9, 1971

The Commission should also be complimented for the recommendation to the government that the Canadian Film Development Corporation extend its support of production to broadcast television programs. We believe that this source of revenue can do a great deal to develop new ideas in the field of television broadcasting production.

In conclusion, may we state that the July 16, 1971 policy statement on cable television, when implemented, will strengthen Canadian television broadcasting here in the Vancouver/Victoria area, which, as we have expressed to the Commission in the past, is the most highly competitive television market in Canada.

Yours very truly,

BRITISH COLUMBIA TELEVISION
BROADCASTING SYSTEM LTD.

A handwritten signature in dark ink, appearing to read 'J. R. Peters', with a stylized, looping flourish extending to the right.

J. R. Peters
President

JRP/sn

SEP 3 1971

C. R. T. C.
Ottawa

THE COMMITTEE FOR AN INDEPENDENT CANADA

BOX 6538, POSTAL STATION D,

CALGARY, 2, ALTA.

C. R. T. C.

SEP 3 1971

Refered to - Table 2

The Hon. Mr. de la Roche

202-11

Mr. Pierre Juneau,
Chairman, C. R. T. C.,
100 Metcalfe Street,
Ottawa, K1A 0N2, Ontario, Canada.

Dear Mr. Juneau:

We write to you and to the Canadian Radio Television Commission of which you are chairman to communicate the results of a recent poll taken in Calgary of interest to the Commission.

The Committee asked the following question of 44 candidates in provincial ridings during the recent Alberta election campaign as well as 704 Calgerians drawn from all thirteen ridings and from various socio-economic positions as judged by their housing:

With American television coming to Alberta via Cable-TV, should Canadian commercials be substituted for American ones on the American channels in order to support the Canadian broadcasting and advertising industry?

We obtained the following results:

	YES	NO	NO COMMENT (QUALIFIED)
The Public	480 (68%)	154 (22%)	70 (105)
Candidates	13	1	2
NDP	10	0	0
PC	2	1	0
SoCred	1	0	2

We also asked candidates: "Should all commercials shown on Canadian television be produced in Canada using Canadian personnel?"

We obtained these results:

	YES	NO	QUALIFIED
NDP	10	0	0
PC	1	1	1
SoCred	0	1	2

It is our hope that these results and their implications will be introduced into the September proceedings of the Commission. Calgary has not been considered an area of strong

9
nationalistic feeling and hence the results indicate that far more concern over cultural penetration of Canada by United States television and its resulting economic implications is present than has been believed.

Thank you for your kindness in considering this information during the September hearings.

Yours faithfully,

Dr. Wayne Brideaux

Dr. Wayne Brideaux

(for)

The Calgary Chapter,
Committee for an Independent Canada.

*M. Juneau - à l'attention de l'agent
à l'attention de l'agent - information
à l'attention de l'agent (fait)*

10
CHAIRMAN'S OFFICE
BUREAU DU PRÉSIDENT
SEP 2 1971
C. R. T. C.
Ottawa

Cablecasting Limited

45 Charles Street East
Toronto 5, Ontario
phone: (416) 964-6411

File

August 30, 1971

(12)

Mr. Pierre Juneau
Chairman
Canadian Radio-Television Commission
100 Metcalfe Street
Ottawa, Ontario

C. R. T. C.
SEP 1 1971
Referred to = Référé à
Chapman
File No. - No. du dossier
209-084-1-1

Dear Mr. Juneau:

As we are on the point of commencing operations, I thought it appropriate to bring you up-to-date on the progress of Calgary Cable TV Ltd.

This Wednesday, September 1st, we will be activating the system in north Calgary and connecting our first subscribers. We are very pleased that construction schedules have been met, and we will be in operation on our original target date.

Initially we will be distributing only the two Calgary stations and the two stations from Spokane, together with CHFM-FM Calgary. The signal from CBXFT, Channel 11, Edmonton is expected to be available approximately September 15th, which is also the target date for our first Community Programming.

Last Monday, August 23rd, the enclosed brochure was distributed to 13,000 homes in the first three phases of the system. The early response to this mailing has been excellent with over 1,000 orders received to date. This Wednesday our direct sales force will begin calling in the same area.

We have moved into our new office and studio facilities at 148 10th St. N.W., and would welcome the opportunity to show you through the building at your convenience. Our staff has grown to 20, and all are delighted to be working in our permanent location.

We have met with the managers of Calgary stations CFAC-TV and CFCN-TV to explore various means of implementing some of the suggested policies contained in the Commission's statement of July 16th. We are hopeful that further meetings will produce concrete proposals to improve the overall broadcasting service in Calgary.

Page 2 - Mr. Juneau - August 30, 1971

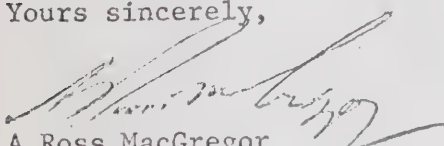
We have initiated discussions with the CBC requesting a direct connection to the Calgary delay centre which would enable us to carry the full national television service and the full French language radio service. CBC officials have advised us that their agreements with program suppliers, broadcast and performers unions presently prevent them from giving us such a direct feed. We have however requested the CBC to determine the extent of those problems and the costs of obtaining CATV rights for distribution of those programs. We are prepared to negotiate with the CBC for carriage of that material.

In the meantime we hope to retain authority to distribute the signal of CBXT, the CBC owned and operated station in Edmonton and CHFA, the Edmonton affiliate of the CBC French language radio network. Unfortunately, the carriage of those signals requires new microwave construction and we are awaiting a quotation and construction schedule from Alberta Government Telephones for this service.

We have applied to the Commission for authority to receive and distribute the signals of KHQ-TV and KREM-TV Spokane, affiliates of the NBC and ABC networks respectively. We believe that the carriage of these signals is consistent with the policy statement of July 16th, and we will await Commission consideration of this application.

I hope that this information will be of value to you. We would propose to keep you advised on a continuing basis of our progress in Calgary.

Yours sincerely,



A. Ross MacGregor
Managing Director
ARM:dd
Enc.

140 1/2 NORTH FRONT ST
TORONTO, ONTARIO

6205 Airport Road, Suite 302
Mississauga, Ontario

August 20, 1971

Mr. Pierre Juneau
Chairman
Canadian Radio-Television Commission
100 Metcalfe Street
Ottawa 4, Ontario

Re - Canadian Broadcasting - "A World of Sound"

Dear Mr. Juneau:

We would appreciate discussing with you certain aspects of the cable television policy statement as it relates to radio. We have studied the July 16 publication from the radio and cable television point of view (Terra Communications Limited) and are eager to determine the attitude of the Commission on certain initiatives the radio broadcasters might pursue.

From the introductory comments of the policy statement we recognize that this document dealt "with matters of immediate concern regarding the particular relation between cable television and television stations". In the broader context our interpretation of this release indicates the need to strengthen the entire Canadian broadcasting system, denies the concept of one sector prospering at the expense of another, looks towards the expansion of viewer choice and finally, makes positive recommendations to terminate the flow of Canadian advertising dollars to U. S. border stations and opens the door to substitution of Canadian commercial messages in U. S. programs.

Responding to these general policies, and assuming that specific references to "television stations" were not meant to exclude radio stations, we have a proposal we wish to discuss with you. Briefly stated, we are interested in the concept of the local radio station developing its own closed circuit TV channel.

See memo

RECEIVED - CHAIRMAN'S OFFICE BUREAU DU PRESIDENT
AUG 23 1971
C. R. T. C. Ottawa

Mr. P. J. ...

- 2 -


August 20, 1971

In Sarnia we propose leasing a channel from the local cable system to provide simultaneous ~~transmission~~ ^{transmission} of our current programs. Initially this might very well be an adjunct to their local community channel but hopefully this would develop into a full time channel carrying a diversified program format based on a production base expanded from our current radio programming to include, in time, not only simultaneous but delayed and non-duplicating programs. We believe the radio broadcasters form a pool of talent which should assist in the development of new programming formats while at the same time maintaining and expanding their current service.

Such an endeavour by the local radio station would require the support of advertising revenues. The question of commercial substitution on a U.S. channel in support of this new form of programming is an important aspect on which we would appreciate clarification.

From our initial discussions with other interested parties in the radio and cable community, we believe these points are of general interest. We have had initial discussions with Maclean-Hunter on this concept as it applies to Sarnia and have found them to be very co-operative. We have raised this matter with Mr. Short, President of the Canadian Cable Television Association, as an industry concern and requested his assistance in making arrangements with yourself and/or your staff for an early meeting in Ottawa. We are hopeful that your crowded schedule will permit at least a brief involvement on your part in these discussions.

Yours very truly
Sarnia Broadcasting (1964) Limited



G.D. Zimmerman
President

GDZ/ab

116-111-1111 Court.
 PROXIMATE
 KAMLOOPS, B.C.

14

17, 1971.

Canadian Radio-Television Commission,
 111-111-1111 Street,
 Ottawa, Ont.

C.R.T.C.

Aug 20 1971

Attention Mr. R. H. Stacey

Dear Sirs:

Further to your letter of August 3, we appreciate your prompt response to our request for a copy of the Policy Statement.

We have read this policy statement with great interest and satisfaction. We find that the policy of the Commission is very much comparable to that proposed by this company in the area of programming. This was set out in our supplementary letter that accompanied our application for a CMTV license heard in Vancouver in October 1969.

We take the liberty of co-relating for you the Basic Cable Television Services to the Community.

Your page. Our page.

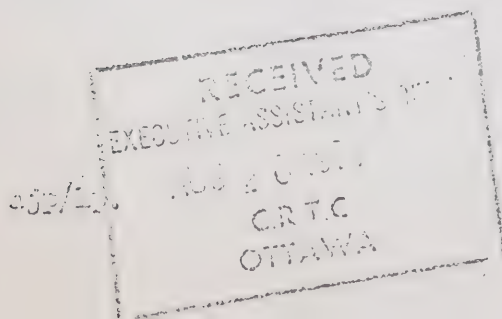
All Canadian Television Stations		
Grade A Contour	14	10
Grade B Contour	15	n.a.
Distant Stations	15	10
Educational Programmes		
Locally Programmed Channel	15	14 & 15
Community Programming	17	16
Local Origination	17	17
Informational Programming	17	18
Linking Television (cable) systems		
Distant Head Ends	19	12
	33	21

We trust the foregoing will be of interest to you when our application for the right to offer that service is being considered.

Yours very truly,

INLAND CABLEVISION LTD.

A. G. Park,
 President.



C. R. T. C.

AUG 24 1971

Referred to, p. 28032

File No. 11-1-1-1

202-052-1-1

22 - Westgrove Crescent,
Toronto 12, Ontario.

August 21, 1971

Mr. P. Juneau, Chairman,
Canadian Radio-Television Commission,
100 - Metcalfe Street,
Ottawa 4, Ontario.

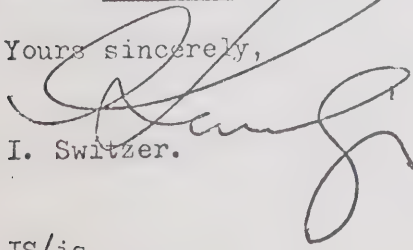
Dear Mr. Juneau,

On August 6th I wrote to Mr. Delaney expressing concern about apparant contractual arrangements being made in Edmonton between the City owned telephone system and cable television licences in that city. I have been told that Mr. Delaney has resigned and I am concerned that my letter may not be receiving Commission attention during the time required to appoint a new secretary. I am therefore sending copies of the original letter to your attention and reinforcing my expressions of concern. I find that ~~xxx~~ I have misplaced the copies of the clippings but these were attached to my August 6th letter to Mr. Delaney and are no doubt in his files.

As a former resident of both Calgary and Edmonton and still having strong personal ties with both cities. In cities like these, where VHF channels are still available I believe that the public interest is better served at this time by encouraging the establishment of additional VHF television ~~xxxxx~~ stations in such cities. The Commission, as an agency of the Government of Canada, should feel no obligation to extend the coverage of U.S. television stations beyond the ~~xxxxxxxxxxxxxxxxxxxxxx~~ direct reception range.

The "wired city" will come, in its own time, as a communications system independant of the "broadcasting system". It does not need to be helped along or hindered by considerations of broadcasting policy. If Edmonton telephones needs a co-axial communications system let them build one without affecting the broadcasting system. If Edmonton needs more broadcasting facilities, ~~let~~ these facilities be provided in the form of VHF television stations (where V channels are available) that will serve everyone in the community and surrounding countryside.

Yours sincerely,


I. Switzer.

IS/is

Received by - Reg
SECRETARIAT

AUG 25 1971

C. R. T. C.

16
22 - Westgrove Crescent,
Toronto 12, Ontario.

August 6th, 1971.

Mr. F. Delaney, Secretary,
Canadian Radio-Television Commission,
100 - Metcalfe Street,
Ottawa 4, Ontario.

Dear Mr. Delaney,

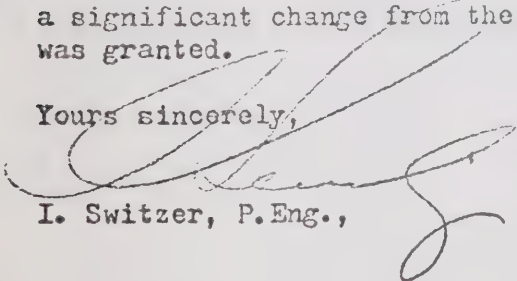
I enclose clippings from Edmonton newspapers which report a tentative agreement between a cable television licensee in Edmonton and Edmonton Telephones, the City owned telephone system. The cable would apparently be shared by the cable company for its "broadcast receiving undertaking" purposes and by City Telephones for "purposes complementary to the communications business of Edmonton Telephones".

Such an agreement would appear to be in disagreement with the policy expressed in the Commission's statement of July 16th. I enclose copies of excerpts from that statement which appear to apply. The Commission is opposed to the integration of common carrier and broadcast receiving facilities and the Commission desires that facilities planned or proposed by cable operators will optimize the capacity to distribute broadcasting signals.

Many cable licensees operate under contracts with Bell Canada in which Bell has retained title to the cable itself, but the cable is dedicated completely to the licensee's purposes and is optimized for those purposes.

Would you please advise whether the Commission has reviewed or proposes to review the ~~prop~~ "tentative agreement" in the context of the July 16th policy statement, and with the possible view that it is a significant change from the original application on which the licence was granted.

Yours sincerely,



I. Switzer, P.Eng.,

cc R.C. Short, C.C.T.A.

20 -

3. PURCHASING OF PROGRAMMES

Cable television systems now rely for their existence upon the services supplied by television stations, and the Commission therefore has come to the conclusion that some method must be derived for cable television to make financial recognition of this fact.

Cable television is a rapidly growing and generally thriving industry. As a result some argue that cable television should pay the television broadcasters a subsidy and not try to develop a reason as to the "why" other than the "need".

Others say that, since cable television systems damage television stations, cable television systems should pay for this damage. However, the Commission believes that there is a more fundamental consideration.

While cable television helps the television stations by improving picture quality and extending service areas, television stations do not depend on cable television for survival. However, the cable television systems are completely dependent on the television stations whose services they use in order to develop a value for subscribers who connect to their systems - television is literally the *raison d'être* of cable television. In effect, while cable television operators may argue they are really only selling an antenna service, sophisticated as it is, the subscribers are buying not antennas but programmes.

Several recent developments have occurred in which groups argue that cable television is properly a part of the telephone industry, as a common carrier. But since the common carrier is renting a communications medium and the cable television industry is selling messages, the programmes, they really cannot be integrated without causing a very serious disruption in the production of programmes.

. . . 21

Cable Television Spectrum Allocation

Because of the scarcity of channel capacity on a cable television system, it may be necessary to share channels, to utilize non-standard channels such as "mid-band", or to utilize channels which may be subject to interference due to strong local signals. Stations which meet the list of priorities are to be given preference in the allocation of frequencies. In addition, provision should be made for a locally programmed channel.

Channel capacity shall also be made available for the transmission of education programmes provided by the Provincial educational authority as defined in Direction P.C. 1970-496 of the Governor-in-Council.

A channel may be shared between an optional station and the locally programmed service. The locally programmed service must take precedence, but when the programmes of the optional station do not duplicate those of a priority station and the channel is not required for the locally programmed service, the optional station may be carried instead.

Similarly, when a station is not transmitting programmes, an optional station may be substituted on that channel.

Distribution Facilities

The Commission recognizes that cable television systems are designed for the distribution of broadcasting signals and similar public information. The Commission has no intention of licensing broadcasting receiving undertakings to operate outside the Broadcasting Act.

In order to ensure the most effective utilization of cable television systems, the Commission desires that the facilities planned or proposed by cable television operators will optimize this capacity to distribute broadcasting signals.

. . . 35

August 23, 1971
Dear Mr. Juneau,

The contract reported in this clipping would seem to be against announced CRTC policies regarding "integration" of common carriers and cable TV functions, optimization of cable systems for "broadcast" functions, and previously announced decisions concerning ownership of cable facilities (e.g. Dartmouth/Halifax). I would appreciate an indication of CRTC plans with respect to this situation in Edmonton. Precedents set here seriously affect negotiations in many other parts of the country.

I. Switzer.



Bell contracts in Ontario and Quebec give Bell ownership of the main line and distribution cables but not drops, amplifiers, etc., and the cable itself is virtually dedicated to cable television purposes. This clipping refers to Edmonton Telephones ownership of the whole "system".



Edmonton Journal, Alta.

Circ. 123,488

July 24, 1971

CANADIAN PRESS CIRCULATING SERVICE

That pump cable opens the door to tomorrow

By OLIVE ELLIOTT
Of the Journal

The day when an Edmonton pump cable is set in motion will be a day when the technology of the future is here today.

And, more important, so is the carrier — a pump cable system of a copper core, insulation and a metallic sheath known as coaxial cable. It will spread in a network throughout the city bringing entertainment, information, services and business to every home.

Perhaps, as science fiction writers sometimes predict, it will yield a day when we become hermits in our own homes, without reason or inclination to ever venture outside.

That day may never come, but the fascinating thing

about coaxial cable is that it possesses the potential for a true wired city and contains facilities that can only be dreamed today.

Both the city's Utilities Commissioner Stan Hampton and Edmonton Telephones Chief Engineer H. F. Rogers say "we don't really know where we're going" when they talk of the future of cable systems, but both agree it has a fantastic potential and that the services it will carry will mean revenue for the owner of the system.

For this reason, the city has insisted, in its negotiations with cable television operators, on city ownership of the cable.

The contract signed Friday between the city and Capital Cable Television Co. Ltd. will give ownership of the system on the eastern half of Edmon-

ton to the city as soon as provincial legislation regarding ownership is clarified.

Coaxial cable differs from telephone cable in its capacity. It can carry higher-frequency transmissions when agency transmissions which will convey broadband signals such as television or high-speed data. Ordinary telephone cable has only low-frequency, narrow-band capacity.

Mr. Rogers sees information retrieval as one of the big uses of coaxial cable.

Low speed data retrieval operates now with ordinary cable, but coaxial will allow information to be moved at thousands of words per minute and will permit greater utilization of the capacity of computers.

This could be applied to something as simple as a bank transaction.

Mr. Rogers described a demonstration of a banking transaction by telephone. The customer phoned the computer, punched his account number and was given his bank balance.

"Then, Mr. Rogers said, if you wanted to pay a bill to a department store, you simply told the computer which made the necessary subtraction from your account and told you your new balance. Of course, the computer would not let you overdraw your account.

Mr. Rogers says it's "not inconceivable" that the day will arrive when an individual's pay cheque is automatically deposited in his account and all money transactions are handled by computer.

"The only thing that might make it impossible is human resistance."

The picture telephone is here today "if anybody wants to pay the price."

In fact, Mr. Rogers says the technology exists for most of the possible uses of coaxial cable, but they are not economical yet.

He says they will become practical either through breakthroughs which reduce the cost or as a result of "demands from the public for something where cost is not so important."

Facsimile newspapers, which have been tried unsuccessfully in the past, are another possibility. This would require a "black box" connected to the television set or directly to the coaxial cable, the chief engineer said. The reader would push a button to get his newspaper which could appear either on the TV screen or on a type of paper.

"It's not too practical at the moment, but technology will improve."

A more immediate use of coaxial is for inter-office telephones — something Edmonton Telephones is looking into, Mr. Rogers said.

An ordinary telephone line can carry 2,400 calls. Coaxial could handle "literally thousands."

Edmonton Telephones has also thought of computerizing its directory assistance, he said. An operator asked for a telephone number would punch out the name on a keyboard and the listings would appear on a TV screen.

In the future when we all have picture phones, this system could even replace the telephone directory.

Coaxial cable plus telephones plus television plus computers

offers endless uses in a variety of areas.

Among them are computer-assisted meetings, desk calculators, access to company files, shopping transactions, grocery lists, money transactions, home recording, council meetings, opinion surveys, local debates, adult education, alarm systems and emergency medical advice.

It could even help solve traffic problems, Mr. Rogers offers the example of closed-circuit TV monitoring a busy intersection.

The traffic officer in the police station could keep an eye on the traffic flow at Jasper Avenue and 109th Street.

If he sees it building up, he would adjust the traffic lights.

"You have to be a day-dreamer," says Mr. Rogers as he considers the potential

of coaxial cable. But he knows, whatever the specific uses may be, "the impact is going to be very, very big."

"That's what history has shown us about technology," he adds. "There will be a demand and somebody has to provide those services."

The cable-TV operators will provide the broadcast services, but all the other uses will come from Edmonton Telephones.

In some cases it will serve as a carrier. In others, just as it now provides telephone sets, it will provide the equipment as well.

Either way, there will be a profit to be made, although Mr. Rogers can't say how much it might be — any more than the city officials could predict the profits from Edmonton Telephones.

125 Highland Park Blvd.,
Willowdale, Ontario,
August 11th, 1972.

Mr. D. Benson, M.P., (2)
House of Commons,
Ottawa, Ontario.

Dear Sir:

I have read the complete 41-page C.R.T.C. policy statement, which was forwarded to me through your Assistant.

I am disappointed the policy statement completely ignores the fact that the quality of reception available in Metropolitan Toronto, from either Channel 6 or Channel 9, the two local channels, is completely unsatisfactory, due to the many reflected signals from the multitude of high-rise buildings in this concentrated Metropolitan Toronto area. People living in one or two-story single family residences, with conventional roof antennas, generally have an unacceptable, or certainly very poor, multiple image picture, which is emphasized on colour T.V. Cable systems are the only answer to provide reasonable viewing satisfaction and, charging cable users additional fees; to compensate Channels 6 and 9 for their production costs, certainly does not seem fair to me, in the above-stated circumstances. The additional U.S. channels available are a bonus, but not necessarily required.

understandably

A second point concerns the fact that these high-rise buildings are generally apartments and their twenty plus stories provide an ideal location for their own antenna system. This allows them to offer clear reception of local stations to their residents without any basic subscription to available cable system. Thus, they are one of the basic causes of poor reception of even local stations, and their occupants have available a clear picture, without the related monthly cost to a publicly controlled cable system.

Finally, outdoor antenna systems, for home use, can possibly be improved with wave traps, etc., to reduce the problem of reflected images; people fortunate enough to be located in relatively open areas, or along the lakeshore of Toronto-Hamilton, will continue to enjoy excellent reception of American stations, and reasonable reception of Canadian stations, without contribution or subsidy to their production. This situation is also ignored in the policy statement.

I do not have the address of the C.R.T.C., therefore, would you please forward a copy of this letter to the proper party.

Yours very truly,



R.C. ADDISON
CM

125 Highland Park Blvd.,
Willowdale, Ontario,
July 19th, 1971.

Mr. B. Danson, M.P., (2)
House of Commons,
Ottawa, Ontario.

Dear Sir:

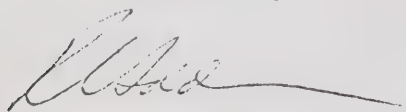
This very brief note is intended to voice my objections to the announced plans of the C.R.T.C. with respect to forcing cable systems to pay Canadian T.V. producers for rights to transmit their productions. I would appreciate it if you would forward a copy of this letter to the appropriate body.

Quite simply, I am in complete agreement with the cable authorities who state that their function was to provide improved antenna service. This is the only reason I contracted for cable. The quality of signal received with outdoor antenna in Toronto is pitiful, because of the many highrise buildings and the multiple images caused. We ask nothing more from our Cable Company than a clear signal. We do not ask for their production of programs. We prefer to see this left with the production specialists C.V.T., C.B.C., etc.

I think this is probably really another way to tax people on cable, to provide additional funds outside general tax revenues to subsidize broadcasting in a way that does not appear to make the Government responsible for this almost certain increase in cable rates.

I would be most interested in any comments you have to make, or those of the C.R.T.C., particularly with respect to any evidence to support the C.R.T.C.'s apparent belief that the public desires these proposed new arrangements.

Yours very truly,



R.C. ADDISON.

NCA:CM

Western Broadcasting Company Ltd.

505 Burrard Street, Vancouver 1, British Columbia • 685-2411

July 26, 1971.

Mr. Pierre Juneau,
Chairman,
Canadian Radio-Television Commission,
100 Metcalfe Street,
Ottawa 4, Ontario.

C.R.T.C.	X
JUL 28 1971	
Referred to - Référé à	
Chairman	
File No. - No. du dossier	
100-15-1	

Dear Mr. Juneau:

During the past week I have had the opportunity to read in care and study in depth the Commission's announcement on cable television policy.

It appears to me, not only as a Canadian but as one involved competitively on each side of the television industry, that the proposals are both sound and completely logical. I believe the daily press has not appreciated the significance and impact of these proposals on the economics of the Canadian television broadcasting industry.

It is true that to create an acceptable formula under which the cablevision industry will contribute to the production of further acceptable program material from Canadian sources may not be simple, but I am equally sure that it is in the Canadian national interest.

I sincerely trust that these proposals will not suffer too much in the translation into fact because the television industry very much needs this major support. Your Commission is to be commended on the conclusions it has reached and the actions it proposes to encourage the broadcast industry to take.

Yours faithfully,

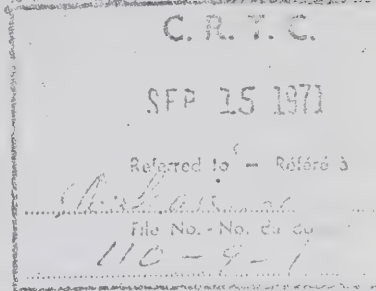
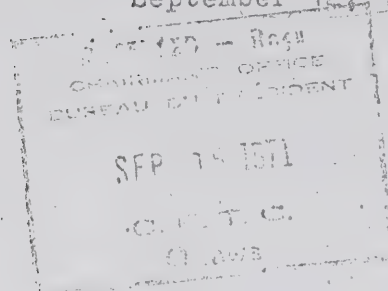
J. O. Robb
President.

FAG/rs

RECEIVED - Reçu
CHAIRMAN'S OFFICE
BUREAU DU PRÉSIDENT
JUL 28 1971
C. R. T. C.
Ottawa

Suite 3, 1110 - 12th Ave. S.W.,
Calgary, 3, Alberta,
September 12, 1971

Mr. Pierre Juneau,
Chairman, C.R.T.C.,
100 Metcalfe Street,
Ottawa, Ontario.



Dear Mr. Juneau:

Away back now (1970!) I cheered when you came up with your new policy for Canadian content on radio and television. I had even drafted a letter to you supporting you wholeheartedly in the face of screams of agony from the media and the most defeatist "We're sunk!" pronouncements by Canadians who should have known better. From sheer sloth on my part, and in the face of a rising tide of optimism from more knowledgeable people than I, the letter never was sent.

Is it now true, as I am lead to believe, that pressures from commercial interests are resulting in reappraisal of that original policy to admit more imported material, commercials and all?

Statement of the 1970 policy has already given a boost to any number of Canadian groups and individuals who have been encouraged to do 'their thing' here at home. It's been proved we have the needed talents right here; although I fail to see why a percentage of Commonwealth material should not have somewhat preferred treatment over totally foreign (i.e. U.S.) material.

If what we already get of U.S. stuff is their best, why do we need more of it? If "Nothing for the mind" is our aim, we can easily supply that too from our own Canadian bank. We should aim higher at our own potential for original educational, and entertainment programming. There's no way I'm going to pay for cable TV on the basis of present experience, imported or otherwise.

I do protest now any watering down of your original policy, though probably the damage is done by now since cable TV has started here within the past week, though apparently one Spokane is the only foreign import yet available.(station)

Re cable TV, a letter from the Calgary Herald of August 2 is enclosed. I hope you have had other similar complaints. And why Calgary should be in such a panic to get more U.S. airing when we have no CBC-TV station of our own, merely indicates the extent to which citizens here in general have been brainwashed.

Yours sincerely,

(Miss) L. P. Turbayne

THE CALGARY HERALD

Mail Bag

MONDAY, AUGUST 2, 1971

PAGE 7

Introduction of cable-tv
to hit advertisers, talent?

Editor, The Herald:—

So cable tv is coming to Calgary at long last. Now Calgarians will be able to see twice as many inferior quality programs as before, and some they will be able to see twice. That is well worth the \$30 to \$35 Calgarians will have to pay, and to look up to the great American finis- PBS (formerly National Educational Television Network or NET). But I wonder how many Calgarians will watch it? You see, PBS often buys CBC programs in large numbers, like documentaries, musical programs.

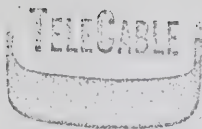
I have lived in the land of milk and tv honey, Toronto, and in the United States for several years (Tulsa), where I sorely missed the good old CBC. I would find this whole thing amusing if it were not for several sobering points.

It is entirely possible that American commercials will be allowed to remain in the piped-in signal. I am certain that this would mean the end of much of the Canadian advertising industry in the region.

This lemming-like rush for the border, via microwaves, prompts me to be very sarcastic, but no less so saddened by the knowledge that Canadians living in Calgary should be so willing to let someone else entertain them. Trash is trash, and home-grown CTV-CBC brands are no exception. But without public support and belief in their own country, how can Canadian talent grow and develop?

Lest I be accused of a blanket condemnation of U.S. tv, may I cite such programs as the CBS tv news, CBS documentaries, the ingenious, but entertaining NBC Today show and the very first-rate Dick Cavett show (an Afro as most viewers for a cable tv viewer, in addition to PBS's network that created Sesame Street among other top-rated programs).

WAYNE W. BRIDGEMAN,
Calgary



TELECABLE DE QUEBEC INC.

376 RUE DU ROI, QUEBEC 2, P.Q. PHONE 529-9461.

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SEP 15 1971
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President
File No. - No. du dossier
209-T10-1-1

Québec le 10 septembre 1971.

17

Honorable Herb Grey,
Ministre du Revenu National,
Edifice du Parlement,
Ottawa, Ont.

Monsieur le Ministre,

Je vous fait parvenir sous même pli, la correspondance avec le bureau des douanes qui s'explique par elle-même et vous fera connaître plus précisément le but de ma lettre.

Le problème réside par le fait que l'industrie de la télévision par câble, en vertu de l'énoncé récent de la politique du Conseil de la Radio Télévision Canadienne, soit forcée d'acquérir ces pièces de télédiffuseurs pour être mises au service du public et nous considérons qu'il est illogique que ces items ne soient pas couverts dans les normes d'exemption tarifaires de la taxation.

Nous sollicitons de votre Ministère, qu'un ordre en conseil soit émis classifiant les équipements devant servir à un canal communautaire comme des items à exemption de droits tarifaires.

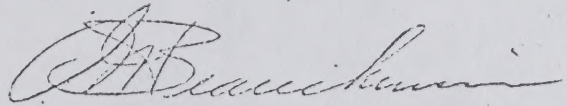
Tel que mentionné dans ma lettre au bureau de la douane, l'établissement d'un canal communautaire n'a aucun intérêt commercial pour l'industrie de la télévision par câble. Toutefois, nous sommes d'accord avec le C.R.T.C. concernant l'intérêt que la population pourra en retirer par l'information, l'éducation adulte et scolaire ainsi que les moyens de communications qui seront mis à la disposition des organismes sociaux dans la communauté urbaine.

2.

L'achat des équipements représente une partie minime des dépenses à rencontrer dans un projet semblable d'un canal communautaire. Il y a la construction des studios avec tout son ameublement et un personnel comprenant directeur, réalisateur, technicien, chercheur, etc.... Ces coûts seront rencontrés par notre Compagnie et représentent des dépenses d'opération relativement élevées en comparaison de l'achat de l'équipement de studio.

Nous espérons débiter ces émissions dès l'automne et comptons sur votre bienveillante attention pour nous confirmer l'approbation de votre Ministère à cette demande très prochainement.

Agréer, Monsieur le Ministre, nos respectueux hommages.



Jean Beauchemin,
Directeur Général.

JB/ddp

Pièces jointes

- c.c. Honorable Gérard Pelletier, Secrétaire d'Etat
- c.c. Honorable Jean-Luc Pépin, Ministre de l'Industrie & du Commerce
- c.c. M. Pierre Juneau, Président du C.R.T.C.
- c.c. M. J.P. Mongeon, Bureau des douanes

